

Township of Berkeley Heights Union County, New Jersey

Township Council Public Meeting February 17, 2026 6:30 P.M.

Adequate notice of this meeting has been provided by forwarding a copy to the Courier News, Star Ledger and posting on the Township website, at least forty-eight hours prior to the meeting, all in accordance with the Open Public Meetings Act.

COUNCIL MEMBERS:

John Foster - President
Margaret Illis
Bill Machado
Alvaro Medeiros
Andrew Moran
Susan Poage – Vice President
Angie Devanney- Mayor

AGENDA FOR PUBLIC MEETING

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. FLAG SALUTE**
- IV. PROCLAMATIONS**
 - Wayne Oborne, Crossing Guard
- V. CONFERENCE SESSION**
 - Connell – Zoning Ordinance – Mike Mistretta
 - Prequalification Regulations - Littell-Lord Restoration – Connolly & Hickey Historical Architects
- VI. REGULAR AGENDA**
- VII. APPROVAL OF MINUTES**
Public Meetings: 12/16/25, 1/7/26, 1/20/26, and 2/3/26
- VIII. CITIZENS HEARING - (3) minutes per resident**
Comments are welcome during the public comment period during this meeting on any matter over which the Township has jurisdiction. To make your comment, the speaker must come forward to the microphone and state his/her name and address for the record. Each speaker is limited to 3 minutes. The Mayor and/or Council will keep time. Please promptly yield the floor when time is called and return to your seat. Your cooperation in adherence to these rules of order will ensure an orderly and respectful meeting.

IX. NEW BUSINESS – RESOLUTIONS OFFICIAL ACTION WILL BE TAKEN ON THE FOLLOWING:

RESOLUTIONS

95. Resolution adopting the Prequalification Regulations related to the anticipated bid for exterior Restoration of the Littel-Lord Farmstead.

CONSENT AGENDA – All matters listed under Consent Agenda are considered routine by the Township Council and will be enacted upon by one motion; there will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

Resolution No. 2026-

96. Resolution approving Bill List dated February 17, 2026, in the amount of \$1,152,738.73.

97. Resolution authorizing the application for a grant through the 2026 Sustainable Jersey Grant Program funded by the PSEG Foundation for an Environmental Resource Inventory.

98. Resolution authorizing the submittal of award extension request for LA-2023 LAIF Berkeley Heights Township 2023 Passaic River Anti-flooding Measures at River Bend to New Jersey Department of Transportation.

99. Resolution authorizing the interlocal services agreement with the City of Elizabeth, Department of Health and Human Services, Division of Health for Sexually Transmitted Disease Services.

100. Resolution authorizing a shared services agreement with the Borough of Madison for Confined Space Entry Rescue.

101. Resolution amending Resolution 2026-10 which awarded a contract to CGP&H for Affordable Housing Administrative Agent Services, to increase the amount not to exceed.

102. Resolution establishing a Mayor's Special Task Force on Flooding.

103. Resolution of the Township of Berkeley Heights in support of a 2026 Federal Funding Application to mitigate Passaic River flooding through de-snagging and debris removal from the Passaic River and major tributaries and authorizing the Township to serve as lead agency for the Passaic River Mayors' Flooding Coalition.

104. Resolution authorizing the release of cash maintenance bond to Lockhern Property II LLC for the 450 Springfield Avenue project.

105. Resolution authorizing the refund of tax overpayments for various properties within the Township.

X. ORDINANCES FOR INTRODUCTION

Public Hearing and Final Adoption scheduled for March 3, 2026.

Ordinance 2026-02

AMENDMENTS TO THE MIXED USE (MU) ZONE AND ESTABLISHING THE MIXED USE (MU) OVERLAY ZONE

Ordinance 2026-03

AN ORDINANCE TO AMEND APPENDIX A (MUNICIPAL LAND USE PROCEDURES ORDINANCE) OF THE CODE OF THE TOWNSHIP OF BERKELEY HEIGHTS TO INCREASE THE TOWNSHIP'S AFFORDABLE HOUSING SET-ASIDE FOR DEVELOPMENTS IN THE DOWNTOWN ZONE DISTRICTS (DOWNTOWN DEVELOPMENT (DD) AND HOME BUSINESS (HB)) WITH RENTALS UNITS FROM FIFTEEN PERCENT (15%) TO TWENTY PERCENT (20%) TO ADDRESS THE TOWNSHIP'S AFFORDABLE HOUSING OBLIGATIONS

Ordinance 2026-04

AN ORDINANCE REPEALING ARTICLE VII (AFFORDABLE HOUSING DEVELOPMENT FEES) IN PART 4 (DEVELOPMENT PROCEDURES) AND PART 18A (AFFORDABLE HOUSING MANDATORY SET-ASIDE) IN APPENDIX A (MUNICIPAL LAND USE PROCEDURES ORDINANCE) AND AMENDING PART 18 (AFFORDABLE HOUSING) OF THE CODE OF THE TOWNSHIP OF BERKELEY HEIGHTS TO ADDRESS THE REQUIREMENTS OF THE FAIR HOUSING ACT (FHA) AS AMENDED, AND THE UNIFORM HOUSING AFFORDABILITY CONTROLS (UHAC), AS AMENDED, REGARDING COMPLIANCE WITH THE TOWNSHIP'S AFFORDABLE HOUSING OBLIGATIONS

XI. TOWNSHIP COUNCIL REPORTS

- A. John Foster - President
- B. Margaret Illis
- C. Bill Machado
- D. Alvaro Medeiros
- E. Andrew Moran
- F. Susan Poage – Vice President

ADMINISTRATION REPORTS

Mayor Devanney
Liza Viana

XII. EXECUTIVE SESSION

XIII. ADJOURNMENT

Angela Lazzari, Township Clerk

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

**RESOLUTION ADOPTING PREQUALIFICATION REGULATIONS RELATED TO THE ANTICIPATED
BID FOR RESTORATION OF THE LITTEL-LORD FARMSTEAD**

WHEREAS, Township of Berkeley Heights wishes to have some exterior restoration work done at the Little-Lord Farmstead; and

WHEREAS, the Little-Lord Farmstead is listed on the New Jersey and National Registers of the Historic Places; and

WHEREAS, the Township will be seeking experienced Historic Restoration General Contractors who specialize in selective demolition of historic finishes, structural repair of historic wood framing including heavy-timber construction, repair of exterior finish carpentry including siding and trim, stone and brick masonry restoration, wood flooring restoration, surface preparation, and painting of historic material fabric; and

WHEREAS, in preparation for the bidding process, the Township has established the attached prequalification regulations for general restoration contractors which will apply to the anticipated bid for the Exterior Restoration of the Littel-Lord Farmstead; and

WHEREAS, copies of the proposed regulations have been made available for inspection at the Berkeley Heights Township Clerk's Office starting February 17, 2026.

NOW THEREFORE BE IT RESOLVED that the Governing Body of the Township of Berkeley Heights, County of Union, State of New Jersey does hereby adopt the attached prequalification regulations for general restoration contractors which will apply to the anticipated bid for the Exterior Restoration of the Littel-Lord Farmstead.

Approved this 17th day of February, 2026.

ATTEST:

**Angela Lazzari, RMC
Township Clerk**

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

BE AND IT IS HEREBY RESOLVED by the Township Council of the Township of Berkeley Heights, County of Union, State of New Jersey, in meeting assembled, authorizes and directs the Township Treasurer to make payment of vouchers listed on the Bill List dated **2/17/2026**, in the amount of **\$1,152,738.73** such vouchers having been received by the Township Council, having been satisfied that appropriate procedure has been followed in the processing of said vouchers.

Approved this 17th day of February, 2026.

ATTEST:

**Angela Lazzari, RMC
Township Clerk**

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

**Resolution Authorizing the Application for a Grant through the 2026 Sustainable Jersey
Grant Program funded by the PSEG Foundation for an Environmental Resource Inventory**

WHEREAS, a sustainable community seeks to optimize quality of life for its residents by ensuring that its environmental, economic and social objectives are balanced and mutually supportive; and

WHEREAS, the Township of Berkeley Heights is participating in the Sustainable Jersey Program; and

WHEREAS, one of the purposes of the Sustainable Jersey Program is to provide resources to municipalities to make progress on sustainability issues, and they have created a grant program called the Sustainable Jersey Small Grants funded by PSEG; and

WHEREAS, to optimize the chances of receiving a grant, the Sustainable Jersey Grant Program provides municipalities the opportunity to apply for one \$20,000 project grant, as well as one \$2,000 project, which will be considered in the event the larger project is not awarded; and

WHEREAS, the Environmental Commission desires to apply for both the \$20,000 and \$2,000 Sustainable Jersey Grants for the revision of the Natural Resources Inventory.

NOW THEREFORE BE IT RESOLVED that the Township Council of the Township of Berkeley Heights, County of Union, State of New Jersey, authorizes the Environmental Commission to apply for the aforementioned Sustainable Jersey Grant.

Approved this 17th day of February, 2026.

ATTEST:

**Angela Lazzari, RMC
Township Clerk**

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

**RESOLUTION AUTHORIZING THE SUBMITTAL OF AWARD EXTENSION REQUEST FOR LA-2023
LAIF BERKELEY HEIGHTS TOWNSHIP 2023 PASSAIC RIVER ANTI-FLOODING MEASURES AT
RIVER BEND TO NEW JERSEY DEPARTMENT OF TRANSPORTATION**

WHEREAS, the New Jersey Department of Transportation awarded \$400,000.00 to the Township of Berkeley Heights through the FY 2023 Local Aid Infrastructure Fund for Passaic River Anti-Flooding Improvements; and.

WHEREAS due to environmental permit applications not yet approved, there is a need to request an extension of time to award the associated anti-flooding improvement project.

NOW THEREFORE BE IT RESOLVED that the Township Council of the Township of Berkeley Heights does hereby formally approves the request for a six (6) month award extension for the above stated project.

BE IT FURTHER RESOLVED that the Mayor and Clerk, or those authorized on their behalf, are to submit a formal request for a six (6) month award extension for the above referenced project to the New Jersey Department of Transportation.

BE IT FURTHER RESOLVED that Mayor and Clerk are hereby authorized to sign the Six (6) month award extension request on behalf of the Township of Berkeley Heights and that their signature constitutes acceptance of the terms and conditions of the grant agreement.

Approved this 17th day of February, 2026.

ATTEST:

**Angela Lazzari, RMC
Township Clerk**

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

RESOLUTION ENTERING INTO AN INTERLOCAL SERVICES AGREEMENT WITH THE CITY OF ELIZABETH, DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF HEALTH FOR SEXUALLY TRANSMITTED DISEASE SERVICES

WHEREAS, the Township of Berkeley Heights is desirous in obtaining services from the City of Elizabeth for Sexually Transmitted Disease (STD) Services; and

WHEREAS, said services are to include testing, reporting all cases to the Health Officer, and treatment, disease prevention, and counseling to all patients infected with STDs, at the Sexually Transmitted Disease Clinic; and

WHEREAS, the City of Elizabeth, Department of Health and Human Services, is ready, willing and able to furnish said services; and

WHEREAS, the City of Elizabeth, Department of Health and Human Services fee is **\$250.00 per patient** for services rendered at the Sexually Transmitted Disease (STD) clinic; and

WHEREAS, the Sexually Transmitted Disease Services will be for a period of January 1, 2026, through December 31, 2026.

NOW, THEREFORE, BE IT RESOLVED by the Township of Berkeley Heights, County of Union, State of New Jersey, that the Mayor and Township Clerk are hereby authorized and directed to execute an agreement with the City of Elizabeth to provide Sexually Transmitted Disease Services in substantially the form attached hereto.

BE IT FURTHER RESOLVED that the Chief Finance Officer for the Township of Berkeley Heights has certified that sufficient uncommitted funds are available in an amount not to exceed **\$1,000.00** from account **6-01-27-330-029, BOH – Other Contractual Items**, subject to the approval of the 2026 Budget.

BE IT FURTHER RESOLVED that this Resolution shall be ratified back to January 1, 2026.

Approved this 17th day of February, 2026.

ATTEST:

Angela Lazzari, RMC
Township Clerk

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

LETTER OF AGREEMENT
January 1, 2026, through December 31, 2026

THIS AGREEMENT made this 1st day of January 2026, between the Township of Berkeley Heights of the County of Union, a municipal corporation of the State of New Jersey, hereinafter referred to as the "MUNICIPALITY", having its offices at 29 Park Avenue and the City of Elizabeth, Department of Health and Human Services, Division of Health.

WHEREAS the MUNICIPALITY of Berkeley Heights is desirous in obtaining services from the City of Elizabeth, Department of Health and Human Services as herein set forth; and

WHEREAS, the City of Elizabeth, Department of Health and Human Services, is ready, willing and able to furnish said services under the conditions set forth herein:

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth, the Township of Berkeley Heights and the City of Elizabeth Department of Health and Human Services mutually agree, and covenant as follows:

The Municipality agrees to pay the City of Elizabeth, Department of Health and Human Services, the sum of **\$250.00 per patient for services** rendered at the Sexually Transmitted Disease (STD) Clinic. The total sum shall be payable upon receipt of a report of a confirmed sexually transmitted disease in a Berkeley Heights resident.

The City of Elizabeth, Department of Health and Human Services shall provide STD services on Tuesdays 8:30AM to 11:00AM, Thursdays 3:00PM to 6:30PM, Fridays 8:30AM to 1:00PM and the first Saturday of every month 10:00AM to 1:00PM at the Peterstown Community Center, 418 Palmer Street, Elizabeth, NJ.07202

The City of Elizabeth, Department of Health and Human Services shall secure prompt reporting of all cases of STD and forward reports to the Department of Health, and Health Officer of the Township of Berkeley Heights.

The City of Elizabeth, Department of Health and Human Services shall interview and investigate priority STD cases and report results of these services on appropriate forms.

The City of Elizabeth, Department of Health and Human Services shall provide counseling to all patients infected with STD's and treated at the STD Clinic, to include, but not limited to, disease prevention, sex partner referral, need for follow-up testing, and appropriate action to take when symptoms appear.

The City of Elizabeth, Department of Health and Human Services operates this clinic in compliance with the Public Health Practice Standards of Performance for Local Boards of Health in New Jersey, N.J.A.C. 8:52.

The Township of Berkeley Heights reserves the right to cancel the contract upon forty-five (45) days written notification to the City of Elizabeth, Department of Health and Human Services.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their duly authorized officers and their seals affixed and duly attested the day and year first above written.

Signature

Signature

Angie Devanney
Mayor

J. Christian Bollwage
Mayor

Attest

Attest

Angela Lazzari
Township Clerk

Yolanda Roberts
City Clerk

File: STD-LTR-AGREE

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

**RESOLUTION APPROVING A SHARED SERVICE AGREEMENT BETWEEN THE TOWNSHIP AND BOROUGH
OF MADISON CONCERNING CONFINED SPACE ENTRY RESCUE**

WHEREAS, the federal Occupational Safety and Health Administration ("OSHA") requires the Township retain a primary Confined Space Entry Rescue ("CSER") team; and

WHEREAS, the Township's fire department is comprised largely of volunteers, who may be unavailable to perform confined space entry rescues at a moment's notice in the event of an emergency; and

WHEREAS, the Borough of Madison represents that its fire department "is fully trained, equipped and able to provide these services"; and

WHEREAS, the Township of Berkeley Heights wishes to enter into a "Confined Space & Trench Rescue Shared Service Agreement" with the Borough of Madison, for a two (2) year term to commence on January 1, 2026, and expiring on December 31, 2027, for an amount of \$10,200.00 for year 1 and \$10,404.00 for year 2; and

WHEREAS, pursuant to the agreement, Madison' fire department will be "on call and ready to respond to confined space rescue and trench rescue incidents that occur in the Township of Berkeley Heights" and would fulfill the Township's CSER obligations under OSHA.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Council of the Township of Berkeley Heights, in the County of Union, and the State of New Jersey that the Mayor and Township Clerk are hereby authorized to execute the Shared Services Agreement between the Township of Berkeley Heights and the Borough of Madison in substantially the form attached hereto, for a term to expire on December 31, 2027.

BE IT FURTHER RESOLVED that the Chief Finance Officer for the Township of Berkeley Heights has certified that sufficient uncommitted funds are available in an amount **not to exceed \$10,200.00** from account # **6-01-25-255-199, FD – CONFINED SPACE, for Year 1**, subject to the approval of the 2026 Budget and **\$10,404.00 for Year 2**, subject to the availability of funds for that budget year.

BE IT FURTHER RESOLVED that this resolution shall be ratified back to January 1, 2026.

Approved this 17th day of February, 2026.

ATTEST:

Angela Lazzari, RMC
Township Clerk

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

CONFINED SPACE & TRENCH RESCUE

SHARED SERVICE AGREEMENT

This **Confined Space & Trench Rescue Shared Service Agreement** (this “Agreement”) made and entered into on the _____ day of January 2026, by and between the **BOROUGH OF MADISON**, a municipal corporation of the State of New Jersey with municipal offices located at 50 Kings Road, Madison, NJ 07940 (hereinafter “Madison”) and the **TOWNSHIP OF BERKELEY HEIGHTS**, a municipal corporation of the State of New Jersey with municipal offices located at 29 Park Avenue, Berkeley Heights, NJ 09722 (hereinafter “Berkeley Heights”):

Whereas, Berkeley Heights wishes to retain the Madison Fire Department to provide emergency confined space rescue and trench rescue services in Berkeley Heights; and

Whereas, the Madison Fire Department is fully trained, equipped and able to provide these services; and

Whereas, Berkeley Heights has agreed to pay an annual fee of \$10,200.00 to have the Madison Fire Department on call and ready to respond to confined space rescue and trench rescue incidents that occur in the Township of Berkeley Heights; and

Whereas, Berkeley Heights agrees to reimburse Madison for any and all cost incurred when a confined space rescue and/or trench rescue is performed; and

Whereas, this Agreement is entered into as an interlocal services agreement, pursuant to N.J.S.A 40A:65-1 et seq.

Now, Therefore, in consideration of the mutual covenants, promises, conditions and terms to be kept and performed, it is agreed by and between the Parties that:

1. **Rescue Services.** Madison shall provide confined space rescue and trench rescue services for Berkeley Heights during the term of this Agreement.
2. **Term; Extension.** This Agreement shall commence upon the date listed above and shall continue for a period of two (2) years (the “Term”), unless terminated earlier as provided in this Agreement.
3. **Annual Fees; Costs.**
 - a. Berkeley Heights agree to pay Madison an annual fee of Ten Thousand Dollars (\$10,200.00) to retain Madison for the rescue services as described herein, which shall be payable on or before March 1st of the initial year and February 1st of each subsequent year.
 - b. The annual fee shall increase by two (2%) percent for year 2 of the agreement.
 - c. Berkeley Heights shall reimburse Madison for any and all costs incurred by Madison when a rescue service is performed in the Township of Berkeley

Heights. Madison shall provide an invoice for such costs within thirty (30) business days after the rescue service is performed. Payment shall be due within thirty (30) business days of the date of the invoice.

4. Termination. This Agreement shall continue to be in effect for the duration of the Term unless terminated in writing by one of the parties set forth herein. Either party may terminate this Agreement with sixty (60) days written notice to the other, which notice shall be addressed to the Municipal Clerk of the other municipality. It is understood that if the Agreement is terminated, the annual fee shall be refunded at a prorated amount for that year.
5. Insurance Requirements. The Parties each agree to maintain the following insurance and provide evidence of same to each other prior to the commencement of any services to be performed under this Agreement.
 - a. General Liability of not less than \$1,000,000 in limit, naming each other as Additional Insured.
 - b. Auto Liability (including Hired and Non-Owned Auto Liability) of not less than \$1,000,000 in limit, naming each other as Additional Insured.
 - c. Excess/Umbrella Liability of not less than \$5,000,000 in limit, naming each other as Additional Insured, including General, Auto and Employers Liability as underlying.
 - d. Workers Compensation with statutory limits of insurance and Employers Liability of not less than \$1,000,000 in limit.
6. Indemnification. Berkeley Heights agrees to indemnify and hold harmless the Borough of Madison, its officers, agents and employees from any and all liability, claims, demands, suits, or costs (including reasonable attorney's fees) arising out of any act or omission with respect to the work performed under this agreement, regardless of whether such liability arises in tort, contract, strict liability, or otherwise, to the fullest extent allowed by law.
7. Assignment. The Parties shall retain the work under their respective control and shall not assign, transfer, or sublet or otherwise dispose of this Agreement or any right to responsibility hereunder, without the previous written consent of the Parties. The Parties shall not assign, in any way, the monies due or to become due under this Agreement. Any assignment of this Agreement shall not, in any way, release the Parties from their covenants, conditions and terms of this Agreement and the duties imposed hereunder.
8. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.
9. Severability. In the event that any provision of this Agreement shall, for any reason, be determined to be invalid, illegal, or unenforceable in any respect, the Parties hereto shall negotiate in good faith and agree to such amendments, modifications, or supplements of, or to this Agreement, or such other appropriate actions as shall, to the maximum extent practicable in light of such

determination, to implement and give effect to the intentions of the parties as reflected herein. All other provisions of the Agreement shall remain in full force and effect.

10. Non-Waiver. It is understood and agreed that nothing which is contained in this Shared Services Agreement shall be construed as a waiver on the part of the Parties, or of any right which is not explicitly waived in this Agreement.
11. Entire Agreement. This Agreement sets forth the entire understanding of the Parties hereto with respect to the transactions contemplated herein. No change or modification of this Agreement shall be valid unless the same is in writing, duly authorized and signed by all the Parties hereto.
12. Headings. The paragraph headings in this Agreement are included herein for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.
13. Counterparts. This Agreement may be executed in any number of counterparts, which, taken together, shall constitute but one instrument. It is not necessary that all parties sign all or any one of the counterparts but each party must sign at least one counterpart for the Agreement to be effective.

IN WITNESS HEREOF, the Parties have set their hand and seals and caused this Agreement to be executed on the day and year above written.

ATTEST:

BOROUGH OF MADISON

Elizabeth Osborne, Borough Clerk

By:

Robert H. Conley, Mayor

ATTEST:

TOWNSHIP OF BERKELEY HEIGHTS

Angela Lazzari, Township Clerk

By:

Angie D. Devanney, Mayor

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

**RESOLUTION AMENDING THE CONTRACT WITH CGP&H FOR AFFORDABLE HOUSING
ADMINISTRATIVE AGENT SERVICES**

WHEREAS, on January 7, 2026, the Township of Berkeley Heights adopted Resolution 2026-10, awarding a professional services agreement to CGP&H for Affordable Housing Administrative Agent Services for an amount not to exceed \$8,000.00; and

WHEREAS, the Township wishes to amend Resolution 2026-10 to reflect an increase of \$4,200.00 in the contract not to exceed amount, bringing the further amended total amount not to exceed \$12,200.00.

NOW THEREFORE BE IT RESOLVED by the Governing Body of the Township of Berkeley Heights, County of Union, State of New Jersey that:

1. All of the above recitals are incorporated herein as if fully set forth at length.
2. The Township Council hereby authorizes the amending of the contract with CGP&H for Affordable Housing Administrative Agent at a total cost not to exceed **\$12,200.00**.
3. The Township Clerk is authorized to respectively execute, and attest to, all documents necessary to effectuate said agreement.
4. The Township Clerk shall publish a notice of this action pursuant to law.
5. This Resolution shall be ratified back to January 7, 2026.

BE IT FURTHER RESOLVED, that the Chief Financial Officer for the Township of Berkeley Heights has certified that sufficient uncommitted funds will be available in an amount **not to exceed \$4,200.00**, from account # **H-13-40-401-401**, **Affordable Housing**, subject to the approval of the 2026 Budget.

Approved this 17th day of February, 2026.

ATTEST:

**Angela Lazzari, RMC
Township Clerk**

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

RESOLUTION ESTABLISHING A MAYOR'S SPECIAL TASK FORCE ON FLOODING

WHEREAS, on July 14, 2025, a severe storm caused widespread flooding throughout Berkeley Heights, damaging homes, businesses, public facilities, and Township infrastructure; and

WHEREAS, flooding has become a recurring challenge in Berkeley Heights due to increasingly severe weather events, aging stormwater infrastructure, and development pressures; and

WHEREAS, the Mayor of Berkeley Heights has the authority to establish special task forces and committees to address issues of critical importance to the Township and its residents; and

WHEREAS, a Mayor's Special Task Force on Recycling was previously established to bring together residents, officials, and experts to study local challenges and develop recommendations, demonstrating the value of collaborative and focused problem-solving; and

WHEREAS, the creation of a Mayor's Special Task Force on Flooding will provide a similar structure to engage stakeholders, review best practices, develop education campaigns for the community related to keeping rivers, streams and tributaries free of debris, and develop recommendations to improve flood mitigation.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Township Council of the of the Township of Berkeley Heights, that there is hereby established a **Mayor's Special Task Force on Flooding**.

Membership

The Task Force shall consist of members appointed by the Mayor and shall include:

- At least one member of the Township Council;
- At least three residents who have been directly impacted by flooding;
- Up to three members representing neighborhood, civic, or environmental organizations;
- Other subject matter experts as deemed necessary by the Mayor.

Duties and Responsibilities

The Task Force shall:

1. Review and assess the impacts of the July 14, 2025 storm and prior flooding events.
2. Research best practices in flood mitigation from comparable municipalities.
3. Identify grant funding and intergovernmental opportunities to support local flood control projects.
4. Recommend steps to enhance community preparedness.
5. Propose long-term capital improvements or planning strategies to reduce flooding risks.

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

6. Consult with the Township Administrator to ensure the legality and feasibility of proposed recommendations.

Organization

- The Mayor shall appoint a Chairperson and Vice-Chairperson.
- The Task Force shall meet once per month, with subcommittees established as necessary.
- Township staff shall provide administrative support as directed by the Mayor.
- The Task Force shall issue an initial report of findings and recommendations by the time it sunsets.

BE IT FURTHER RESOLVED that the Mayor's Special Task Force on Flooding shall begin its work within thirty (30) days of adoption of this Resolution and shall sunset on August 17, 2026.

Approved this 17th day of February, 2026.

ATTEST:

**Angela Lazzari, RMC
Township Clerk**

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

**RESOLUTION OF THE TOWNSHIP OF BERKELEY HEIGHTS IN SUPPORT OF A 2026 FEDERAL FUNDING
APPLICATION TO MITIGATE PASSAIC RIVER FLOODING THROUGH DESNAGGING AND DEBRIS
REMOVAL FROM THE PASSAIC RIVER AND MAJOR TRIBUTARIES, AND AUTHORIZING THE TOWNSHIP
TO SERVE AS LEAD AGENCY FOR THE PASSAIC RIVER MAYORS' FLOODING COALITION**

WHEREAS, the Township of Berkeley Heights and numerous municipalities within the Passaic River Basin have experienced repeated and severe flooding events in recent years, resulting in significant public safety hazards, damage to public infrastructure, damage to private property, roadway closures, emergency response impacts, and disruption to residents and businesses; and

WHEREAS, ongoing flooding conditions throughout the Passaic River Basin have increased in frequency and severity due to changing storm patterns, aging drainage infrastructure, and reduced stormwater conveyance capacity caused in part by accumulated debris, fallen trees, and other obstructions within the Passaic River and its major tributaries; and

WHEREAS, the accumulation of woody debris, sediment, and other obstructions in the Passaic River and its tributaries restricts water flow, reduces channel capacity, impedes stormwater conveyance, increases localized flood elevations, and contributes to upstream and downstream flooding impacts across multiple municipalities; and

WHEREAS, strategic, environmentally responsible de-snagging and debris removal activities, including the clearing of downed trees, logjams, and other conveyance-blocking obstructions, represent an important flood mitigation strategy to improve the hydraulic capacity of the Passaic River and its tributaries and reduce flood risk for impacted communities; and

WHEREAS, after the historic storm of July 14, 2025, which caused millions of dollars in damage to Passaic River Basin municipalities and surrounding towns, the Passaic River Mayors' Flooding Coalition was formed as a regional partnership of local governments to help develop a short- and long-term strategy to help reduce flooding and increase resilience of our member communities; and

WHEREAS, this Coalition consists of elected and appointed officials, engineers and related professionals of heavily affected municipalities and Counties across multiple counties, including Union and Morris counties; and

WHEREAS, these member entities continue to collaborate through the Passaic River Mayors' Flooding Coalition to advance multi-jurisdictional flood mitigation initiatives and secure state and federal resources for basin-wide solutions; and

WHEREAS, the Passaic River Mayors' Flooding Coalition intends to submit an application in 2026 for available federal funding programs and/or federal appropriations to support basin-wide flood mitigation efforts, including but not limited to debris removal, river clearing, and related stormwater conveyance improvements; and

WHEREAS, the Township of Berkeley Heights has the administrative capacity, intergovernmental experience, and demonstrated commitment to regional collaboration necessary to support the Coalition's efforts and coordinate grant administration and project implementation; and

WHEREAS, the Township of Berkeley Heights is willing and prepared to serve as the Lead Agency for the Passaic River Mayors' Flooding Coalition for purposes of the 2026 federal funding application and related intergovernmental coordination; and

WHEREAS, the Township recognizes that flood mitigation activities must be undertaken in compliance with all applicable federal and state requirements, including but not limited to environmental permitting, NJDEP regulations, and any applicable U.S. Army Corps of Engineers requirements; and

WHEREAS, the Township of Berkeley Heights supports the pursuit of federal funding to advance coordinated, regional flood mitigation measures that will protect residents, critical infrastructure, public safety services, and economic stability throughout the Passaic River Basin.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Berkeley Heights, County of Union, State of New Jersey, as follows:

- 1. Support of Federal Funding Application.** The Township Council hereby expresses its formal support for the Passaic River Mayors' Flooding Coalition's 2026 application for federal funding to mitigate flooding impacts within the Passaic River Basin.
- 2. Project Purpose and Scope.** The Township Council specifically supports funding for de-snagging and debris removal activities in the Passaic River and its major tributaries, including the removal of downed trees, logjams, and other conveyance-blocking obstructions, for the purpose of reducing flood risk and improving stormwater conveyance.
- 3. Lead Agency Designation.** The Township Council hereby authorizes and affirms that the Township of Berkeley Heights will serve as the Lead Agency for the Passaic River Mayors' Flooding Coalition in connection with the 2026 federal funding application, including coordination among participating municipalities and communication with state and federal partners.
- 4. Authorization of Township Administrator.** The Township Council hereby authorizes the Township Administrator and/or appropriate Township officials to execute and submit any supporting documentation, certifications, and related materials required for the federal funding application, including intergovernmental coordination documents as may be required.
- 5. Regional Collaboration.** The Township Council reaffirms its commitment to continued regional collaboration with Coalition member municipalities and partner agencies to advance flood mitigation solutions throughout the Passaic River Basin.
- 6. Effective Date.** This Resolution shall take effect immediately upon adoption according to law.

BE IT FURTHER RESOLVED that a certified copy of this Resolution shall be transmitted to the Passaic River Mayors' Flooding Coalition, appropriate federal and state agencies, and other entities as may be required for the funding application.

Approved this 17th day of February, 2026.

ATTEST:

Angela Lazzari, RMC
Township Clerk

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

WHEREAS, as per Resolution 83-2024, adopted on February 6, 2024, Lockhern Property II, LLC, was required to post a two (2) year Maintenance Bond for the property located at 450 Springfield Avenue in the amount of 15% of the total estimated cost of public improvements, privately owned buffer landscaping and stormwater management improvements, equaling \$18,348.39; and

WHEREAS, by letter dated February 11, 2026, the Township Engineer had noted that the above-mentioned Maintenance Bond expired on February 5, 2026 and the cash bond, Edmunds Account # ENGBOND020, in the amount of \$18,350.74 plus any accrued interest, if applicable, should be released.

NOW, THEREFORE BE IT RESOLVED, that the Township Council, Township of Berkeley Heights, County of Union, hereby authorizes the Township Treasurer to release and return the forementioned cash maintenance bond, together with any applicable interest, to Lockhern Property II, LLC, P.O. Box 39, Livingston, NJ 07039.

BE IT FURTHER RESOLVED, that a copy of this Resolution is to be forwarded to the Township Engineer.

Approved this 17th day of February, 2026.

ATTEST:

**Angela Lazzari, RMC
Township Clerk**

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

RESOLUTION

WHEREAS, there appears on the tax records overpayment as shown below and the Collector of Taxes recommends the refund of such overpayment.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Township of Berkeley Heights, after proper notation on the tax account records by the Tax Collector, that the proper officers be and they are hereby authorized and directed to issue checks refunding such overpayment as shown below:

REASON:

1. Incorrect Payment	6. Tax Appeal County Board
2. Duplicate Payment	7. Tax Appeal State Tax Court
3. Senior Citizen	8. 100% Disabled Veteran
4. Veteran Deduction	9. Replacement Check
5. Homestead Rebate	10. Reduced Assessment
	11. Other

Block/Lot	Property Address	Refund To	Refund Amount	Year	Reason
208/20	389 SPRINGFIELD AVE	SPRINGFIELD AVENUE LLC	7673.15	2026	2
4603/21	294 MC MANE AVE	DARIA ABOLGHASEMI & MATTHEW BRAMAN	2845.25	2026	2

BE IT FURTHER RESOLVED, that a copy of this resolution be forwarded to the Tax Collector.

Approved this 17th day of February, 2026.

ATTEST:

Angela Lazzari, RMC
Township Clerk

ROLL CALL	Aye	Nay	Abstain	Absent
FOSTER				
ILLIS				
MACHADO				
MEDEIROS				
MORAN				
POAGE				
TIE:				
MAYOR DEVANNEY				

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

ORDINANCE NO. 2026-02

**AMENDMENTS TO THE MIXED USE (MU) ZONE AND ESTABLISHING THE
MIXED USE (MU) OVERLAY ZONE**

WHEREAS, the Township of Berkeley Heights (the “Township” or “Berkeley Heights”) having filed a resolution of participation in the Affordable Housing Dispute Resolution Program (the “Program”) and a declaratory judgment action pursuant to N.J.S.A. 52:27D-301 et. seq. (the “Fair Housing Act”) on January 23, 2025; and

WHEREAS, the Township having received two objections to the Township’s binding resolutions challenging the DCA’s calculation of its fair share obligations, one from the New Jersey Builder’s Association on February 27, 2025 and one from FSHC on February 28, 2025; and

WHEREAS, the Court having held settlement conferences in March of 2025, so the parties could negotiate a Fourth Round affordable housing obligations Mediation Agreement; and

WHEREAS, the Township and FSHC having entered into said Mediation Agreement, which was thereafter filed with the Program and the Court on March 28, 2025; and

WHEREAS, the Court having entered an order on April 14, 2025, setting the Township’s Fourth Round fair share obligations as a Present Need of 0 units and a Prospective Need of 240 units, which no party appealed, and ordering the Township to file a Fourth Round Housing Element and Fair Share Plan (“HEFSP”) by June 30, 2025; and

WHEREAS, the Township of Berkeley Heights Planning Board adopted the Fourth Round HEFSP, dated June 2025 on June 25, 2025 pursuant to the Municipal Land use Law at N.J.S.A. 40:550-1, et seq.; and

WHEREAS, the Fourth Round HEFSP has been endorsed by the Township Council by Resolution Number 2025-198 on June 26, 2025; and

WHEREAS, the Township having filed its Fourth Round HEFSP on June 26, 2025 (“Adopted HEFSP”); and

WHEREAS, FSHC having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s Fourth Round HEFSP on August 29, 2025; and

WHEREAS, the Township and FSHC having agreed to amicably resolve the issues set forth in the challenges through a Settlement Agreement dated December 8, 2025 (“Settlement Agreement”), which further clarifies the Township’s compliance mechanisms through specific amendments to its Fourth Round HEFSP; and

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

WHEREAS, the amendments to the Township's Fourth Round HEFSP as agreed upon in the approved Settlement Agreement have been addressed through an Amended Fourth Round HEFSP, dated February 4, 2026; and

WHEREAS, the Amended Fourth Round HEFSP has been adopted by the Township Planning Board on _____ and endorsed by the Township Council on _____; and

WHEREAS, this Ordinance implements and incorporates the adopted and endorsed Amended Fourth Round Housing Element and Fair Share Plan, which provides that a portion of the Township's Fourth Round Prospective Need obligation is to be addressed through the Mixed Use (MU) Overlay Zone;

WHEREAS, the Township intends to amend Article 6.3 (Schedule of Zone District Regulations) of Part 6 (Zoning) of Appendix A (Municipal Land Use Procedures Ordinance) of the Code of the Township of Berkeley Heights to establish the Mixed Use (MU) Overlay Zone;

NOW, THEREFORE, BE IT ORDAINED by the Township Council of the Township of Berkeley Heights, County of Union, State of New Jersey, as follows:

Section 1. Section 6.3.5.1 entitled "MU: Mixed Use" of Article 6.3 entitled "Schedule of Zone District Regulations" of Part 6 entitled "Zoning" of the Township of Berkeley Heights of the Municipal Land Use Procedures Ordinance is hereby amended to read as follows:

Section 6.3.5.1 - MU: Mixed Use Zone

- A. **Zone Area and Intent**—The MU Zone consists of Block 4102, Lot 1; and Block 4301, Lots 1.012, 1.03 (formerly Lot 1.011), 1.04 (formerly Lot 1.011) and 1.05 (formerly Lot 1.02); along with serving as an overlay on those properties known as Block 4101, Lots 2-19. The MU Zone is intended to provide a flexible zoning framework that will facilitate the transformation of a traditional suburban office park into a commercially viable, integrated multi-use facility that provides work, residential, hospitality, retail, entertainment, and recreation opportunities. The MU Zone shall be developed so as to ensure a functionally and physically interconnected variety of land uses and open spaces, including outdoor recreational amenities.
- B. **Application Requirements**—Development within the MU Zone may take place in phases. Any request for preliminary and final site plan approvals with respect to one (1) or more portions of the MU Zone must comply with Part 10 of this Municipal Land Use Procedures Ordinance.
- C. **Permitted Principal Uses.**
 1. Offices.
 2. Research and development facilities.
 3. Multifamily residential dwellings.
 4. Mixed use structures.

TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY

5. Retail sales (including grocery stores), and restaurants, including without limitation, food or beverage structures and establishments, including breweries and indoor and outdoor cafes, and including catered events.
6. Fitness centers, including spa facilities.
7. Recreational uses and facilities, including outdoor sports courts/areas, fitness areas, outdoor hiking paths/trails, public assembly areas and skating rinks.
8. Entertainment uses and venues, including performance spaces associated with or located within permitted uses, and including indoor/outdoor movies and concerts.
9. Hotels.
10. Dog parks, parks, and playgrounds.
11. Municipal buildings and other governmental uses.
12. Places of worship, including parish homes and religious school buildings.
13. Daycares, schools (including nursery schools) or other educational institutions.
14. Personal and Professional Service Establishments.
15. Health/medical facilities, including without limitation, offices for services of health/medical/dental care professionals, including medical spas.
16. Veterinary clinics and pet boarding/daycare.
17. Social clubs.
18. Public and quasi-public events.
19. Any structure containing a combination of two or more of the foregoing uses, as well as multiple structures containing any combinations of any number of the foregoing uses, in either case with or without accessory uses.

D. Permitted Accessory Uses and Structures.

1. Any use or structure that is customarily incidental and subordinate to one (1) or more permitted principal use in the MU Zone.
2. Parking decks/facilities and surface parking. All parking decks / facilities adjacent to and visible from Plainfield Avenue shall be aesthetically compatible with the non-parking structures visible from Plainfield Avenue.
3. Automated storage and retrieval facilities for grocery stores.
4. Garages.
5. Standalone conference/event room structures, each not to exceed a footprint of 300 square feet.
6. Swimming pools and structures used in connection therewith, which pools and structures shall be exempt from the regulations set forth in Section 3.1.7 of this Municipal Land Uses Procedures Ordinance, the Swimming Pool Ordinance referenced therein, or any other Township swimming pool regulations.
7. Heliports, subject to the following requirements:
 - a. No more than one (1) heliport shall be allowed within the MU Zone;
 - b. No refueling, repair, or maintenance activities shall be permitted;

TOWNSHIP OF BERKELEY HEIGHTS
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- c. There shall be a minimum setback of one hundred fifty (150) feet from Plainfield Avenue. There shall be a minimum setback of one hundred fifty (150) feet from any residential uses;
- d. Any ground heliport, including the landing pad, shall be reasonably screened, and buffered (with either natural vegetation or a structure, at the option of the applicant) from Plainfield Avenue, provided, however, such screening or buffering shall not be required if not acceptable to any State or federal governmental agency having jurisdiction over heliports. Notwithstanding the foregoing, no such screening or buffering shall be required for heliports located on any building, parking deck or other structure.

E. Prohibited Uses.

- 1. Any use not specifically permitted shall be prohibited.
- 2. Drive-through facilities, whether principal or accessory.

F. Standards for Multifamily Residential Dwellings.

- 1. Multifamily Residential Density (Third Round Affordable Housing Component). Per the November 2, 2022 Planning Board resolution granting preliminary and final site plan approval for the properties pertaining to MU Zone, and further incorporated in the Township's Fourth Round Housing Element and Fair Share Plan ("HEFSP"), endorsed by the Township Council on June 26, 2025, and as settled in the Township's Consent Order for Conditional Compliance Certification ("Consent Order") entered on December 8, 2025, the properties pertaining to the MU Zone shall provide a maximum of three hundred twenty-eight (328) total multifamily rental units, inclusive of forty-five (45) affordable family rental units, used to satisfy a portion of the Township's Third Round affordable housing obligation.
- 2. Multifamily Residential Density (Fourth Round Affordable Housing Component). As granted by the Fourth Round HEFSP and Consent Order, in addition to the residential density permitted as part of the Third Round Affordable Housing Component, an additional four hundred eighty (480) multifamily rental units, inclusive of a twenty percent (20%) set aside, shall be permitted to be constructed in the MU Zone, which set aside will be used to satisfy a portion of the Township's Fourth Round affordable housing obligation. By way of example, the proposed 480 rental unit development would create 96 affordable rental units. Furthermore, should the Township 1) fail to identify the site location for the proposed 24-unit 100% affordable housing development provided as a compliance mechanism in its Fourth Round HEFSP by March 15, 2026; 2) fail to demonstrate site control for the 24-unit 100% affordable housing development by July 1, 2026; 3) fail to provide a pro forma of construction costs and anticipated sources of funding for the 24-unit 100% affordable housing development by December 31, 2026; and/or 4) fail to secure funding for the 24-unit 100% affordable housing development by July 1, 2027 in order to begin construction within two years for the construction of a 24-unit one hundred percent (100%) affordable housing development,

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then a further additional one hundred twenty (120) multifamily rental units, inclusive of a 20% set aside, shall be permitted to be constructed in the MU Zone, which set aside will also be used to satisfy a portion of the Township's Fourth Round affordable housing obligation. By way of further example, were all 600 rental units under this Paragraph F.2. of this Section 6.3.5.1. built, 120 affordable rental units would be set aside to satisfy a portion of the Township's Fourth Round affordable housing obligation.

3. All multifamily development shall be restricted by the Maximum Buildable Area for the MU Zone as defined in Paragraph I.3. of this Section 6.3.5.1.
4. All affordable housing units shall be non-age restricted units located within the MU Zone.
5. All affordable housing development within the MU Zone shall be subject to the Township's affordable housing ordinances, including Title 18 and 18A of the Township Code, except as otherwise set forth in this Section 6.3.5.1 and all UHAC rules and regulations.
6. Any residential development constructed above the residential density described in paragraph F.1 and F.2 shall include a twenty percent (20%) inclusionary affordable set aside.

G. Standards for Retail and Entertainment Uses.

1. Except in a building containing two or more principal permitted uses, no single retail tenant within the MU Zone shall be less than one thousand (1,000) square feet.

H. Standards for Open Space, Landscaping, and Buffers

1. A minimum of seven (7) acres of open space shall be provided within the MU Zone. Open space may consist of publicly-accessible walking/bicycle paths, parks, dog parks, at and above-grade terraces, landscaped areas, community gardens, plazas for seating and events, playgrounds, sports courts, and other fitness areas. Open Space should include a combination outdoor seating, decorative hardscape consisting of unit pavers, stone, or other high-quality materials, outdoor landscape lighting, plantings, and other similar landscape features.
2. A minimum of five (5) acres of open space shall be constructed as part of the initial phase of development within the MU Zone.
3. Any off-leash dog park area shall be confined by a fence with a minimum height of five (5) feet.
4. Developer shall provide a seventy-five (75) foot visual buffering between Plainfield Avenue and the portion of development in Block 4102 that is adjacent to Plainfield Avenue.

I. General Development Requirements.

1. One (1) or more permitted use may be located in one (1) building or lot. More than one building or structure is permitted on any given lot.
2. Subdivisions of the overall development tract comprising the MU Zone shall be permitted in phases.

**TOWNSHIP OF BERKELEY HEIGHTS
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3. The gross floor area of all buildings, excluding parking decks/structured parking facilities, in the MU Zone shall not exceed a total of four million five hundred thousand (4,500,000) square feet of gross floor area (the "Maximum Buildable Area").
4. All accessory uses, buildings and structures located within one hundred twenty-five feet of the MU Zone boundary line shall be constructed to the same level of architectural design and use of building materials on all elevations as the principal permitted uses and buildings.

J. Bulk Requirements.

1. All requirements set forth in this Section 6.3.5.1 shall be calculated based on the entire land area included within the MU Zone, regardless of any existing or future subdivisions or tax lots.
2. Maximum building height:
 - a. One hundred fifty (150) feet.
 - b. Within the overlay portion, maximum height shall be seventy-five feet, provided that any portion of any building within 50 feet from Plainfield Avenue shall have a maximum height of fifty-five (55) feet.
3. Maximum impervious coverage: Seventy-five (75) percent.
4. Setbacks: all principal and accessory uses, buildings and structures, with the exception of any passive recreation trails and walkways, within the MU Zone (other than in the overlay portion) shall be setback a minimum of seventy-five (75) feet from the boundary of the MU Zone along Plainfield Avenue and a minimum of twenty-five (25) feet from all other boundaries of the MU Zone. For those properties within the MU Zone Overlay, the minimum setback shall be twenty-five (25) feet from Plainfield Avenue, but subject to the height requirements in Paragraph J.2 of Section 6.3.5.1, and a minimum of twenty-five (25) feet from the municipal boundary to the west.

K. Parking Requirements.

1. Requirements by Use: Notwithstanding the requirements set forth in Section 11.1.2, the following shall be the parking requirements applicable to all uses permitted within the MU Zone.
 - a. Office, Research and Development: One (1) space per four hundred (400) square feet of gross floor area.
 - b. All other permitted principal non-residential land uses: One (1) space per three hundred (300) square feet of gross floor area, except that any portion of a retail use that is occupied by an automated storage and retrieval system for retail goods shall be subject to a requirement of one (1) space per one thousand (1,000) square feet of gross floor area.
 - c. Multifamily residential dwellings shall be parked consistent with the requirements of the Residential Site Improvement Standards.

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

- d. All obligations may be reduced by up to 10% with the inclusion of the required make-ready electrical vehicle parking spaces in the proposed project, consistent with N.J.S.A. 40:55D-66.20.
- 2. Shared parking is strongly encouraged within the MU Zone in order to maximize the efficiency of parking facilities. The cumulative parking requirements for all land uses within the MU Zone may be reduced if it can be demonstrated that the peak usage of multiple land uses occur at different times. In order to obtain approval for a reduction of the cumulative parking requirement based on shared parking principles, a Shared Parking Plan prepared by a licensed engineer or planner shall be submitted to the Township Engineer and Planner for administrative review and approval. The Shared Parking Plan shall be based on a shared parking model published by the Institute of Transportation Engineers (ITE), the Urban Land Institute (ULI) or other widely accepted industry model.
- L. Signs. Notwithstanding anything to the contrary in Part 5 of this Municipal Land Use Procedures Ordinance:
 - 1. A total of four (4) monument signs shall be permitted within the MU Zone, consisting of three (3) along Plainfield Avenue (one (1) at the entrance to the flyover ramp; one (1) at Connell Drive; and one (1) at the entry to any development within Block 4101 on three or more contiguous parcels, and one (1) along Oak Way, subject to the following requirements:
 - a. The total area of a monument sign shall not exceed one hundred (100) square feet (each face), inclusive of its base.
 - b. The maximum height of a monument sign shall not exceed ten (10) feet, inclusive of its base.
 - c. The monument sign may contain panels for individual retail tenants which shall have a maximum letter height of twelve (12) inches. The materials and color for the individual tenant panels shall be uniform in color and consistent with the overall design of the monument sign.
 - d. All monument signs shall be set back at least ten (10) feet from the MU Zone boundary.
 - e. All monument signs shall have an attractive base with decorative landscaping.
 - f. All monument signs shall be externally illuminated.
 - 2. Wall signs shall be permitted on each building facade facing a parking area or internal roadway, subject to the following requirements:
 - a. Permitted signage area for the existing hotel use within the MU Zone shall be as follows:
 - i. Maximum signage area on the west elevation of a building shall be 1,450.6 square feet;
 - ii. Maximum signage area on the south elevation of a building shall be 341.4 square feet;

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

- iii. Maximum total signage area shall be 2,620.8 square feet.
- b. No tenant shall be permitted more than one (1) wall sign on a single building façade. No more than two (2) wall signs are permitted per tenant.
- c. The total area of a wall sign for any retail tenant renting less than twenty thousand (20,000) square feet shall not exceed forty-eight (48) square feet.
- d. The total area of a wall sign for any retail tenant renting twenty thousand (20,000) square feet or more shall not exceed one hundred twenty (120) square feet.
- e. Any building with multiple tenants shall be required to submit a sign plan indicating the location and size of all wall signs, if (1) any individual sign exceeds the terms of this subsection, or (2) the total signage area proposed exceeds 200 square feet.
- f. Wall signs shall be halo-illuminated (back-lit channel letters) or externally illuminated.
- g. Wall signs shall be permitted on the top story of buildings. However, no roof-mounted signage is permitted.

- 3. Each tenant shall be permitted one (1) window sign, subject to the following requirements:
 - a. Maximum number: One (1) sign per tenant.
 - b. Maximum area: Twenty-five (25) percent of the area of the window on which the sign is located.
 - c. Illumination: not permitted.
 - d. A window sign shall only pertain to the establishment occupying the portion of the premises where the window is located.
 - e. Window signs shall be consistent in color and design as other signs for the same tenant on the building.
- 4. Each tenant shall be permitted one (1) vertical or horizontal blade sign.
 - a. A blade sign shall not exceed six (6) square feet in area (each face).
 - b. Blade signs shall be halo-illuminated (back-lit channel letters) or externally illuminated.
- 5. Artistic murals that do not promote the goods and/or services of an owner, tenant or vendor are permitted and shall not be deemed "signs" within the meaning of this Municipal Land Use Procedures Ordinance and shall be subject to review and approval by the Planning Board.
- 6. One (1) freestanding pole-mounted sign oriented to Interstate seventy-eight (78) shall be permitted within the MU Zone.
 - a. Maximum area: Five hundred twenty-five (525) feet (each face).
 - b. Maximum height: One hundred ten (110) feet.
- 7. A comprehensive directional and wayfinding signage program for the entire MU Zone shall be permitted to orient visitors to specific uses. Such signage may include individual branding for uses located within the MU Zone. The directional and wayfinding signage program shall be subject to review by the Planning Board.

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

- M. Part 19 of this Municipal Land Use Procedures Ordinance shall not apply to development within the MU Zone.
- N. All development within the MU Zone which commences after the effective date of this Ordinance shall be required to comply with the terms of Chapter 13.12 of the municipal code relative to the Township's Sewer Service System. A Developer's Agreement shall be entered into as part of any development application relative to projects in the MU Zone and shall satisfy the requirements of an End User Sewer Agreement and address any off-site improvements and any public on-site improvements determined to be necessary to accommodate the proposed development in the MU Zone and/or MU Overlay Zone, which shall be the responsibility of the Developer.
- O. The amendments to the MU Zone shall not apply to site plan approvals received prior to the adoption of this amendment.

Section 2. If any article, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect.

Section 3. In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance of the Township of Berkeley Heights, the provisions hereof shall be determined to govern. All other parts, portions and provisions of the Revised General Ordinances of the Township of Berkeley Heights are hereby ratified and confirmed, except where inconsistent with the terms hereof.

Section 4. The Township Clerk is directed to give notice at least ten days prior to a hearing on the adoption of this ordinance to the Union County Planning Board and to all other persons entitled thereto pursuant to N.J.S.A. 40:55D-15, and N.J.S.A. 40:55D-63 (if required).

Section 5. After introduction, the Township Clerk is hereby directed to submit a copy of the within Ordinance to the Planning Board of the Township of Berkeley Heights for its review in accordance with N.J.S.A. 40:55D-26 and N.J.S.A. 40:55D-64. The Planning Board is directed to make and transmit to the Township Council, within 35 days after referral, a report including identification of any provisions in the proposed ordinance which are inconsistent with the master plan and recommendations concerning any inconsistencies and any other matter as the Board deems appropriate.

Section 6. This Ordinance shall be presented to the Mayor for her approval and signature, which approval shall be granted or denied within ten (10) days of receipt of same, pursuant to N.J.S.A. 40:69A-149.7. If the Mayor fails to return this Ordinance with either her approval or objection to same within ten (10) days after it has been presented to her, then this Ordinance shall be deemed approved.

Section 7. This Ordinance shall take effect immediately upon (1) adoption; (2) approval by the Mayor pursuant to N.J.S.A. 40:69A-149.7; (3) publication in accordance with the laws of the State of New Jersey; and (4) filing of the final form of adopted ordinance by the

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

Clerk with (a) the Union County Planning Board pursuant to N.J.S.A. 40:55D-16, and (b) the Township Tax Assessor as required by N.J.S.A. 40:49-2.1.

Angie Devaney, Mayor

TOWNSHIP OF BERKELEY HEIGHTS

NOTICE OF INTRODUCTION

Ordinance 2026-02

**AMENDMENTS TO THE MIXED USE (MU) ZONE AND ESTABLISHING THE MIXED USE (MU)
OVERLAY ZONE**

I, Angela Lazzari, Township Clerk of the Township of Berkeley Heights, do hereby certify that the foregoing Ordinance was introduced on First Reading at a meeting of the Township Council of the Township of Berkeley Heights, County of Union and State of New Jersey, on February 17, 2026 and that said Ordinance shall be submitted for consideration and final passage at the Public Hearing to be held on March 3, 2026 at 6:30 p.m. or as soon thereafter, as practical, same can be considered, at the Municipal Building, 29 Park Avenue, Berkeley Heights, NJ, at which time and place all persons interested therein or affected thereby will be given an opportunity to be heard concerning the same. During the week prior to and up to the time of Public Hearing, copies of said Ordinance will be available in the Municipal Clerk's office in said Municipal Building, to the members of the general public who shall request the same.

**Angela Lazzari
Township Clerk**

**TOWNSHIP OF BERKELEY HEIGHTS
UNION COUNTY, NEW JERSEY**

ORDINANCE NO. 2026-03

**AN ORDINANCE TO AMEND APPENDIX A (MUNICIPAL LAND USE
PROCEDURES ORDINANCE) OF THE CODE OF THE TOWNSHIP OF BERKELEY
HEIGHTS TO INCREASE THE TOWNSHIP'S AFFORDABLE HOUSING SET-ASIDE
FOR DEVELOPMENTS IN THE DOWNTOWN ZONE DISTRICTS (DOWNTOWN
DEVELOPMENT (DD) AND HOME BUSINESS (HB)) WITH RENTALS UNITS
FROM FIFTEEN PERCENT (15%) TO TWENTY PERCENT (20%) TO ADDRESS
THE TOWNSHIP'S AFFORDABLE HOUSING OBLIGATIONS**

WHEREAS, the Township of Berkeley Heights (the “Township” or “Berkeley Heights”) having filed a resolution of participation in the Affordable Housing Dispute Resolution Program (the “Program”) and a declaratory judgment action pursuant to N.J.S.A. 52:27D-301 et. seq. (the “Fair Housing Act”) on January 23, 2025; and

WHEREAS, the Township having received two objections to the Township’s binding resolutions challenging the DCA’s calculation of its fair share obligations, one from the New Jersey Builder’s Association on February 27, 2025 and one from FSHC on February 28, 2025; and

WHEREAS, the Court having held settlement conferences in March of 2025, so the parties could negotiate a Fourth Round affordable housing obligations Mediation Agreement; and

WHEREAS, the Township and FSHC having entered into said Mediation Agreement, which was thereafter filed with the Program and the Court on March 28, 2025; and

WHEREAS, the Court having entered an order on April 14, 2025, setting the Township’s Fourth Round fair share obligations as a Present Need of 0 units and a Prospective Need of 240 units, which no party appealed, and ordering the Township to file a Fourth Round Housing Element and Fair Share Plan (“HEFSP”) by June 30, 2025; and

WHEREAS, the Township of Berkeley Heights Planning Board adopted the Fourth Round HEFSP, dated June 2025 on June 25, 2025 pursuant to the Municipal Land use Law at N.J.S.A. 40:550-1, et seq.; and

WHEREAS, the Fourth Round HEFSP has been endorsed by the Township Council by Resolution Number 2025-198 on June 26, 2025; and

WHEREAS, the Township having filed its Fourth Round HEFSP on June 26, 2025 (“Adopted HEFSP”); and

WHEREAS, FSHC having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s Fourth Round HEFSP on August 29, 2025; and

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WHEREAS, the Township and FSHC having agreed to amicably resolve the issues set forth in the challenges through a Settlement Agreement dated December 8, 2025 (“Settlement Agreement”), which further clarifies the Township’s compliance mechanisms through specific amendments to its Fourth Round HEFSP; and

WHEREAS, the amendments to the Township’s Fourth Round HEFSP as agreed upon in the approved Settlement Agreement have been addressed through an Amended Fourth Round HEFSP, dated February 4, 2026; and

WHEREAS, the Amended Fourth Round HEFSP has been adopted by the Township Planning Board on _____ and endorsed by the Township Council on _____; and

WHEREAS, this Ordinance implements and incorporates the adopted and endorsed Amended Fourth Round Housing Element and Fair Share Plan, which provides that a portion of the Township’s Fourth Round Prospective Need obligation is to be addressed through increasing the Township’s affordable housing set-aside for developments in the Downtown Zone Districts (DD and HB) with affordable rental units from fifteen percent (15%) to twenty percent (20%).

WHEREAS, the Township intends to amend Article 6.3 (Schedule of Zone District Regulations) of Part 6 (Zoning) of Appendix A (Municipal Land Use Procedures Ordinance) of the Code of the Township of Berkeley Heights to increase the Township’s affordable housing set-aside for developments in the Downtown Zone Districts with affordable rental units from fifteen percent (15%) to twenty percent (20%);

NOW, THEREFORE, BE IT ORDAINED by the Township Council of the Township of Berkeley Heights, County of Union, State of New Jersey, as follows:

Section 1. Subsection F entitled “Residential Regulations” of Section 6.3.2 entitled “DD: Downtown Development Zone” of Article 6.3 entitled “Schedule of Zone District Regulations” of Part 6 entitled “Zoning” of the Township of Berkeley Heights of the Municipal Land Use Procedures Ordinance is hereby amended to read as follows:

Section 6.3.2 DD: Downtown Development Zone

F. Residential Regulations:

1. Residential dwelling units are only permitted within the upper stories of a structure.
2. The maximum density for residential uses shall be twenty (20) dwelling units per acre.
3. Inclusionary Housing Component: Any project containing residential units shall meet the requirements of the Township’s Affordable Housing Ordinances, applicable A4/S50 regulations and the Court approved Mediation Agreement between the Township and Fair Share Housing Center (“FSHC”) dated March 27, 2025, Uniform Housing Affordability Controls (UHAC) and any applicable order of the Court and other applicable law.

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- II. No fewer than twenty (20) percent of for-sale units or twenty (20) percent of for rental units constructed shall be set aside as units affordable to very low, low, and moderate income households.
- II. Income Distribution: The income distribution for the affordable units in each project shall be as follows: no more than fifty (50) percent may be moderate income units, at least thirty-seven (37) percent shall be low income units and at least thirteen (13) percent shall be very low income units.
- II. Bedroom Mix: At least twenty (20) percent of the affordable units in each project shall be three (3) bedroom units; no more than twenty (20) percent of the affordable units in each project shall be efficiency and one (1) bedroom units; at least thirty (30) percent of the affordable units in each project shall be two (2) bedroom units; the balance may be two (2) or three (2)-bedroom units, at the discretion of the developer.
- II. The developer shall have an obligation to deed restrict the Affordable Units as very low, low, or moderate income affordable units for a period of at least thirty (30) years, until such time and under such conditions as the Township takes action to release the deed restriction, so that the Township may count the Affordable Units against its affordable housing obligation.
- II. All affordable units shall comply with the bedroom distribution requirements, income distribution requirements, pricing requirements, integration of affordable units' requirements, affirmative marketing requirements, candidate qualification and screening requirements and deed restriction requirements of the Township's Affordable Housing Ordinance and UHAC.
- II. The developer/owner of the Affordable Units shall contract with an experienced and duly qualified administrative agent for the administration of the Affordable Units. The developer's/owner's administrative agent may either be the Township Administrative Agent or shall report to the Township Administrative Agent, and the developer/owner shall have the obligation to pay all costs associated with affirmatively marketing and deed restricting the Affordable Units, income qualifying residents, and maintaining compliance with the affordability controls on the Affordable Units in accordance with this Section and the Township's Affordable Housing Ordinance for the entirety of the Deed-Restriction Period. The developer and its administrative agent shall provide annual reports as required by the Township and the Township's Administrative Agent to enable the Township to comply with the affordable housing monitoring requirements of the Court.

Section 3. Section 6.3.3 entitled "HB Housing Business Zone" of Article 6.3 entitled "Schedule of Zone District Regulations" of Part 6 entitled "Zoning" of the Township of Berkeley Heights of the Municipal Land Use Procedures Ordinance is hereby supplemented to amend Subsection F entitled "Residential Regulations" to read as follows:

Section 6.3.3. HB Housing Business Zone

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F. Residential Regulations:

1. The maximum density for residential uses shall be fifteen (15) dwelling units per acre.
2. A density bonus may be granted up to twenty (20) residential units per acre total on the site provided that the development includes open public space area or plaza that is a minimum of ten (10) percent of the total lot area and:
 - ¶ . The open public open space area or plaza shall be provided on the property; shall front on and/or extend from the right-of-way frontage; shall be located outside of the public right-of-way; shall be safely and properly connected to the public sidewalk and streetscape; and shall provide for a sitting area where the public, patrons of the commercial/retail area, and/or residents of the building can gather.
 - ¶ . The open public areas or plazas shall include benches, planters, fountains, decorative lighting, landscaping, and other streetscape furniture as described in Part 19. All open public spaces shall be approved by the Planning Board.
 - ¶ . The open public areas or plaza shall be improved and maintained by the property owner or association in perpetuity pursuant to provisions to be included in a developer's agreement or board resolution.
3. Inclusionary Housing Component: Any project containing residential units shall meet the requirements of the Township's Affordable Housing Ordinances, applicable A4/S50 regulations, and the Court approved Mediation Agreement between the Township and Fair Share Housing Center ("FSHC") dated March 27, 2025 , and any applicable order of the Court and other applicable law.
 - ¶ . No fewer than twenty (20) percent of for-sale units or, twenty (20) percent of for rental units constructed shall be set aside as units affordable to very low, low, and moderate income households.
 - ¶ . Income Distribution: The income distribution for the affordable units in each project shall be as follows: no more than fifty (50) percent may be moderate income units, at least thirty-seven (37) percent shall be low income units and at least thirteen (13) percent shall be very low income units.
 - ¶ . Bedroom mix: At least twenty (20) percent of the affordable units in each project shall be three (3) bedroom units; no more than twenty (20) percent of the affordable units in each project shall be efficiency and one (1) bedroom units; at least thirty (30) percent of the affordable units in each project shall be two (2) bedroom units; the balance may be two (2) or three (3)-bedroom units, at the discretion of the developer.
 - ¶ . The developer shall have an obligation to deed restrict the Affordable Units as very low, low, or moderate income affordable units for a period of at least thirty (30) years, until such time and under such conditions as the Township takes action to release the deed restriction, so that the Township may count the Affordable Units against its affordable housing obligation.
 - ¶ . All affordable units shall comply with the bedroom distribution requirements and income distribution requirements, pricing requirements, integration of affordable units' requirements, affirmative marketing requirements, candidate qualification and screening requirements and deed restriction requirements of the Township's Affordable Housing Ordinance.

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¶ . The developer/owner of the Affordable Units shall contract with an experienced and duly qualified administrative agent for the administration of the Affordable Units. The developer's/owner's administrative agent may either be the Township Administrative Agent or shall report to the Township Administrative Agent, and the developer/owner shall have the obligation to pay all costs associated with affirmatively marketing and deed restricting the Affordable Units, income qualifying residents, and maintaining compliance with the affordability controls on the Affordable Units in accordance this Section and the Township's Affordable Housing Ordinance for the entirety of the Deed-Restriction Period. The developer and its Administrative Agent shall provide annual reports as required by the Township and the Township's Administrative Agent to enable the Township to comply with the affordable housing monitoring requirements of the Court.

Section 4. If any article, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect.

Section 5. In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance of the Township of Berkeley Heights, the provisions hereof shall be determined to govern. All other parts, portions and provisions of the Revised General Ordinances of the Township of Berkeley Heights are hereby ratified and confirmed, except where inconsistent with the terms hereof.

Section 6. The Township Clerk is directed to give notice at least ten days prior to a hearing on the adoption of this ordinance to the Union County Planning Board and to all other persons entitled thereto pursuant to N.J.S.A. 40:55D-15, and N.J.S.A. 40:55D-63 (if required).

Section 7. After introduction, the Township Clerk is hereby directed to submit a copy of the within Ordinance to the Planning Board of the Township of Berkeley Heights for its review in accordance with N.J.S.A. 40:55D-26 and N.J.S.A. 40:55D-64. The Planning Board is directed to make and transmit to the Township Council, within 35 days after referral, a report including identification of any provisions in the proposed ordinance which are inconsistent with the master plan and recommendations concerning any inconsistencies and any other matter as the Board deems appropriate.

Section 8. This Ordinance shall be presented to the Mayor for her approval and signature, which approval shall be granted or denied within ten (10) days of receipt of same, pursuant to N.J.S.A. 40:69A-149.7. If the Mayor fails to return this Ordinance with either her approval or objection to same within ten (10) days after it has been presented to her, then this Ordinance shall be deemed approved.

Section 9. This Ordinance shall take effect immediately upon (1) adoption; (2) approval by the Mayor pursuant to N.J.S.A. 40:69A-149.7; (3) publication in accordance with the laws of the State of New Jersey; and (4) filing of the final form of adopted ordinance by the

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Clerk with (a) the Union County Planning Board pursuant to N.J.S.A. 40:55D-16, and (b) the Township Tax Assessor as required by N.J.S.A. 40:49-2.1.

Angie Devanney, Mayor

Introduction						Councilperson	Final Adoption				
Moved	Sec.	Aye	Nay	Abs.	NP		Moved	Sec.	Aye	Nay	Abs.
						John Foster					
						Margaret Illis					
						Bill Machado					
						Alvaro Medeiros					
						Andrew Moran					
						Susan Poage					

TOWNSHIP OF BERKELEY HEIGHTS

NOTICE OF INTRODUCTION

Ordinance 2026-03

AN ORDINANCE TO AMEND APPENDIX A (MUNICIPAL LAND USE PROCEDURES ORDINANCE) OF THE CODE OF THE TOWNSHIP OF BERKELEY HEIGHTS TO INCREASE THE TOWNSHIP'S AFFORDABLE HOUSING SET-ASIDE FOR DEVELOPMENTS IN THE DOWNTOWN ZONE DISTRICTS (DOWNTOWN DEVELOPMENT (DD) AND HOME BUSINESS (HB)) WITH RENTALS UNITS FROM FIFTEEN PERCENT (15%) TO TWENTY PERCENT (20%) TO ADDRESS THE TOWNSHIP'S AFFORDABLE HOUSING OBLIGATIONS

I, Angela Lazzari, Township Clerk of the Township of Berkeley Heights, do hereby certify that the foregoing Ordinance was introduced on First Reading at a meeting of the Township Council of the Township of Berkeley Heights, County of Union and State of New Jersey, on February 17, 2026 and that said Ordinance shall be submitted for consideration and final passage at the Public Hearing to be held on March 3, 2026 at 6:30 p.m. or as soon thereafter, as practical, same can be considered, at the Municipal Building, 29 Park Avenue, Berkeley Heights, NJ, at which time and place all persons interested therein or affected thereby will be given an opportunity to be heard concerning the same. During the week prior to and up to the time of Public Hearing, copies of said Ordinance will be available in the Municipal Clerk's office in said Municipal Building, to the members of the general public who shall request the same.

**Angela Lazzari
Township Clerk**

**TOWNSHIP OF BERKELEY HEIGHTS
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**ORDINANCE NO. 2026-04
Affordable Housing Ordinance
Township of Berkeley Heights, Union County**

AN ORDINANCE REPEALING ARTICLE VII (AFFORDABLE HOUSING DEVELOPMENT FEES) IN PART 4 (DEVELOPMENT PROCEDURES) AND PART 18A (AFFORDABLE HOUSING MANDATORY SET-ASIDE) IN APPENDIX A (MUNICIPAL LAND USE PROCEDURES ORDINANCE) AND AMENDING PART 18 (AFFORDABLE HOUSING) OF THE CODE OF THE TOWNSHIP OF BERKELEY HEIGHTS TO ADDRESS THE REQUIREMENTS OF THE FAIR HOUSING ACT (FHA) AS AMENDED, AND THE UNIFORM HOUSING AFFORDABILITY CONTROLS (UHAC), AS AMENDED, REGARDING COMPLIANCE WITH THE TOWNSHIP'S AFFORDABLE HOUSING OBLIGATIONS

WHEREAS, the Township of Berkeley Heights filed a resolution of participation in the Affordable Housing Dispute Resolution Program (the "Program") and a declaratory judgment action pursuant to N.J.S.A. 52:27D-301 et. seq. (the "Fair Housing Act"), entitled "In the Matter of the Application of the Township of Berkeley Heights," Docket No. UNN-L-340-25 on January 23, 2025; and

WHEREAS, the Township of Berkeley Heights entered into a consent order, filed December 8, 2025, with Fair Share Housing Center, which agreement was approved by the Superior Court of New Jersey by order dated [NEED ORDER DATE] in order to carry out Berkeley Height's affordable housing obligation, whereby the Code of the Township of Berkeley Heights is to be amended to include provisions addressing Berkeley Height's constitutional obligation to provide for its fair share of low- and moderate-income housing, as directed by the Superior Court and consistent with N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C. 5:80-26.1, et seq., as amended and supplemented, and the New Jersey Fair Housing Act of 1985, as amended and supplemented; and

WHEREAS, this Ordinance is intended to provide assurances that low- and moderate-income units ("affordable units") are created with controls on affordability over time and that low- and moderate-income households shall occupy those units; and

WHEREAS, this Ordinance shall apply except where inconsistent with applicable law; and

WHEREAS, the Township of Berkeley Heights Planning Board has adopted a Housing Element and Fair Share Plan on June 25, 2025 pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq.; and

WHEREAS, the Housing Element and Fair Share Plan have been endorsed by the Township Council by Resolution Number 2025-198 on June 26, 2025; and

WHEREAS, this Ordinance implements and incorporates the adopted and endorsed Housing Element and Fair Share Plan and addresses the requirements of N.J.A.C. 5:93-1, et seq.,

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as amended and supplemented, N.J.A.C.5:80-26.1, et seq. as amended and supplemented, and the New Jersey Fair Housing Act of 1985, as amended and supplemented;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Township of Berkeley Heights as follows:

SECTION 1. Article VII (Affordable Housing Development Fees) in Part 4 (Development Procedures) and Part 18A (Affordable Housing Mandatory Set-Aside) in Appendix A (Municipal Land Use Procedures Ordinance, of the Code of the Township of Berkeley Heights are hereby repealed.

SECTION 2. Part 18 (Affordable Housing) of the Code of the Township of Berkeley Heights is hereby amended as follows:

PART 18 AFFORDABLE HOUSING

A. Introduction & Applicability

1. This section of the Code sets forth regulations regarding the very low-, low- and moderate-income housing units in the Township of Berkeley Heights consistent with the provisions outlined in P.L 2024, Chapter 2, including the amended Fair Housing Act ("FHA") at N.J.S.A. 52:27D-301 et seq., as well as the Department of Community Affairs, Division of Local Planning Services ("LPS") at N.J.A.C. 5:99 et seq., statutorily upheld existing regulations of the now-defunct Council on Affordable Housing ("COAH") at N.J.A.C. 5:93 and 5:97, the Uniform Housing Affordability Controls ("UHAC") at N.J.A.C. 5:80-26.1 et seq., and as reflected in the adopted municipal Fourth Round Housing Element and Fair Share Plan ("HEFSP").
2. This Ordinance is intended to ensure that very low-, low- and moderate-income units ("affordable units") are created with controls on affordability over time and that very low-, low- and moderate-income households shall occupy these units pursuant to statutory requirements. This Ordinance shall apply to all inclusionary developments, individual affordable units, and 100% affordable housing developments except where inconsistent with applicable law. Low-Income Housing Tax Credit financed developments shall adhere to the provisions set forth below in item 5.c. below.
3. The Planning Board of the Township of Berkeley Heights has adopted a HEFSP pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Fair Share Plan describes the ways the municipality shall address its fair share of very low-, low- and moderate-income housing as approved by the Superior Court and documented in the Housing Element.
4. This Ordinance implements and incorporates the relevant provisions of the HEFSP and addresses the requirements of P.L 2024, Chapter 2, the FHA, N.J.A.C. 5:99, NJ Supreme Court upheld COAH regulations at N.J.A.C. 5:93 and 5:97, and UHAC at N.J.A.C. 5:80-26.1, as may be amended and supplemented.
5. Applicability

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- a. The provisions of this Ordinance shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created pursuant to the municipality's most recently adopted HEFSP.
- b. This Ordinance shall apply to all developments that contain very low-, low- and moderate-income housing units included in the Municipal HEFSP, including any unanticipated future developments that will provide very low-, low- and moderate-income housing units.
- c. Projects receiving federal Low Income Housing Tax Credit financing and are proposed for credit shall comply with the low/moderate split and bedroom distribution requirements, maximum initial rents and sales prices requirements, affirmative fair marketing requirements of UHAC at N.J.A.C. 5:80-26.16 and the length of the affordability controls applicable to such projects shall be not less than a 30-year compliance period plus a 15-year extended-use period, for a total of not less than 45 years.

B. Definitions

As used herein the following terms shall have the following meanings:

"Accessory apartments" means a residential dwelling unit that provides complete independent living facilities with a private entrance for one or more persons, consisting of provisions for living, sleeping, eating, sanitation, and cooking, including a stove and refrigerator, and is located within a proposed preexisting primary dwelling, within an existing or proposed structure that is an accessory to a dwelling on the same lot, constructed in whole or part as an extension to a proposed or existing primary dwelling, or constructed as a separate detached structure on the same lot as the existing or proposed primary dwelling. Accessory apartments are also referred to as "accessory dwelling units".

"Act" means the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq.

"Adaptable" means constructed in compliance with the technical design standards of the barrier free subcode adopted by the Commissioner of Community Affairs pursuant to the "State Uniform Construction Code Act," P.L.1975, c. 217 (C.52:27D-119 et seq.) and in accordance with the provisions of section 5 of P.L.2005, c. 350 (C.52:27D-123.15).

"Administrative agent" means the entity approved by the Division responsible for the administration of affordable units, in accordance with N.J.A.C. 5:99-7, and UHAC at N.J.A.C. 5:80-26.15.

"Affirmative marketing" means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.16.

"Affirmative Marketing Plan" means the municipally adopted plan of strategies from which the administrative agent will choose to implement as part of the Affirmative Marketing requirements.

"Affirmative Marketing Process" or "Program" means the actual undertaking of Affirmative Marketing activities in furtherance of each project with very low- low- and moderate-income units.

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"Affordability assistance" means the use of funds to render housing units more affordable to low- and moderate-income households and includes, but is not limited to, down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowner's association or condominium fees and special assessments, common maintenance expenses, and assistance with emergency repairs and rehabilitation to bring deed-restricted units up to code, pursuant to N.J.A.C. 5:99-2.5.

"Affordability average" means an average of the percentage of regional median income at which restricted units in an affordable development are affordable to low- and moderate-income households.

"Affordable" means, in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth at N.J.A.C. 5:80-26.7 and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth at N.J.A.C. 5:80-26.13.

"Affordable housing development" means a development included in a municipality's housing element and fair share plan, and includes, but is not limited to, an inclusionary development, a municipally sponsored affordable housing project, or a 100 percent affordable development. This includes developments with affordable units on-site, off-site, or provided as a payment in-lieu of construction only if such a payment-in-lieu option has been previously approved by the Program or Superior Court as part of the HEFSP. Payments in lieu of construction were invalidated per P.L. 2024, c.2.

"Affordable Housing Dispute Resolution Program" or "the Program" refers to the dispute resolution program established pursuant to N.J.S.A. 52:27D-313.2.

"Affordable Housing Monitoring System" or "AHMS" means the Department's cloud-based software application, which shall be the central repository for municipalities to use for reporting detailed information regarding affordable housing developments, affordable housing unit completions, and the collection and expenditures of funds deposited into the municipal affordable housing trust fund.

"Affordable unit" means a housing unit proposed or developed pursuant to the Act, including units created with municipal affordable housing trust funds.

"Age-restricted housing" means a housing unit that is designed to meet the needs of, and is exclusively for, an age-restricted segment of the population such that: 1. All the residents of the development where the unit is situated are 62 years or older; 2. At least 80 percent of the units are occupied by one person that is 55 years or older; or 3. The development has been designated by the Secretary of HUD as "housing for older persons" as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

"Agency" means the New Jersey Housing and Mortgage Finance Agency established by P.L.1983, c. 530 (C.55:14K-1 et seq.).

"Assisted living residence" means a facility licensed by the New Jersey Department of Health to provide apartment-style housing and congregate dining and to ensure that assisted living services are available when needed for four or more adult persons unrelated to the proprietor. Apartment units must offer, at a minimum, one unfurnished room, a private bathroom, a kitchenette, and a lockable door on the unit entrance.

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"Barrier-free escrow" means the holding of funds collected to adapt affordable unit entrances to be accessible in accordance with N.J.S.A. 52:27D-311a et seq. Such funds shall be held in a municipal affordable housing trust fund pursuant to N.J.A.C. 5:99-2.6.

"Builder's remedy" means court-imposed site-specific relief for a litigant who seeks to build affordable housing for which the court requires a municipality to utilize zoning techniques, such as mandatory set-asides or density bonuses, including techniques which provide for the economic viability of a residential development by including housing that is not for low- and moderate-income households.

"Certified household" means a household that has been certified by an administrative agent as a very-low-income household, a low-income household, or a moderate-income household.

"CHOICE" means the no-longer-active Choices in Homeownership Incentives for Everyone Program, as it was authorized by the Agency.

"COAH" or the "Council" means the Council on Affordable Housing established in, but not of, DCA pursuant to the Act and that was abolished effective March 20, 2024, pursuant to section 3 at P.L. 2024, c. 2 (N.J.S.A. 52:27D-304.1).

"Commissioner" means the Commissioner of the Department of Community Affairs.

"Compliance certification" means the certification obtained by a municipality pursuant to section 3 of P.L.2024, c. 2 (C.52:27D-304.1), that protects the municipality from exclusionary zoning litigation during the current round of present and prospective need and through July 1 of the year the next round begins, which is also known as a "judgment of compliance" or "judgment of repose." The term "compliance certification" shall include a judgment of repose granted in an action filed pursuant to section 13 of P.L.1985, c. 222 (C.52:27D-313).

"Construction" means new construction and additions, but does not include alterations, reconstruction, renovations, conversion, relocation, or repairs, as those terms are defined in the State Uniform Construction Code promulgated pursuant to the State Uniform Construction Code Act, P.L. 1975, c. 217(N.J.S.A. 52:27D-119 et seq.).

"County-level housing judge" means a judge appointed pursuant to section 5 at P.L. 2024, c. 2, to resolve disputes over the compliance of municipal fair share affordable housing obligations and municipal Fair Share plans and housing elements with the Act.

"DCA" and "Department" mean the State of New Jersey Department of Community Affairs.

"Deficient housing unit" means a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems.

"Department" means the New Jersey Department of Community Affairs.

"Developer" means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.

"Development" means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of

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any building or other structure, or of any mining, excavation, or landfill, and any use or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.

"Development fee" means money paid by a developer for the improvement of residential and non-residential property as permitted pursuant to N.J.S.A. 52:27D-329.2 and 40:55D-8.1 through 40:55D-8.7 and N.J.A.C. 5:99-3.

"Dispute Resolution Program" means the Affordable Housing Dispute Resolution Program, established pursuant to section 5 at P.L. 2024, c. 2 (N.J.S.A. 52:27D-313.2).

"Division" means the Division of Local Planning Services within the Department of Community Affairs.

"Emergent opportunity" means a circumstance that has arisen whereby affordable housing will be able to be produced through a delivery mechanism not originally contemplated by or included in a fair share plan that has been the subject of a compliance certification.

"Equalized assessed value" or "EAV" means the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with sections 1, 5, and 6 at P.L. 1973, c. 123 (N.J.S.A. 54:1-35a, 54:1-35b, and 54:1-35c). Estimates at the time of building permit may be obtained by the tax assessor using construction cost estimates. Final EAV shall be determined at project completion by the municipal assessor.

"Equity share amount" means the product of the price differential and the equity share, with the equity share being the whole number of years that have elapsed since the last non-exempt sale of a restricted ownership unit, divided by 100, except that the equity share may not be less than five percent and may not exceed 30 percent.

"Exit sale" means the first authorized non-exempt sale of a restricted unit following the end of the control period, which sale terminates the affordability controls on the unit.

"Exclusionary zoning litigation" means litigation challenging the fair share plan, housing element, ordinances, or resolutions that implement the fair share plan or housing element of a municipality based on alleged noncompliance with the Act or the Mount Laurel doctrine, which litigation shall include, but shall not be limited to, litigation seeking a builder's remedy.

"Extension of expiring controls" means extending the deed restriction period on units where the controls will expire in the current round of a housing obligation, so that the total years of a deed restriction is at least 60 years.

"Fair share obligation" means the total of the present need and prospective need, including prior rounds, as determined by the Affordable Housing Dispute Resolution Program, or a court of competent jurisdiction.

"Fair share plan" means the plan or proposal, with accompanying ordinances and resolutions, by which a municipality proposes to satisfy its constitutional obligation to create a realistic opportunity to meet its fair share of low- and moderate-income housing needs of its region and which details the affirmative measures the municipality proposes to undertake to achieve its fair share of low- and moderate-income housing, as provided in the municipal housing element, and which addresses the development regulations necessary to implement the

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housing element, including, but not limited to, inclusionary requirements and development fees, and the elimination of unnecessary housing cost-generating features from the municipal land use ordinances and regulations.

"FHA" means the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq.

"Green Building Strategies" means the strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

"HMFA" or "the Agency" means the New Jersey Housing and Mortgage Finance Agency established pursuant to P.L. 1983, c. 530 (N.J.S.A. 55:14K-1 et seq.).

"Household income" means a household's gross annual income calculated in a manner consistent with the determination of annual income pursuant to section 8 of the United States Housing Act of 1937 (Section 8), not in accordance with the determination of gross income for Federal income tax liability.

"Housing element" means the portion of a municipality's master plan adopted in accordance with the Municipal Land Use Law (MLUL) at N.J.S.A. 40:55D-28.b(3) and the Act consisting of reports, statements proposals, maps, diagrams, and text designed to meet the municipality's fair share of its region's present and prospective housing needs, particularly with regard to low- and moderate-income housing, which shall include the municipal present and prospective obligation for affordable housing, determined pursuant to subsection f. at N.J.S.A. 52:27D-304.1.

"Housing region" means a geographic area established pursuant to N.J.S.A. 52:27D-304.2b.

"Inclusionary development" means a residential housing development in which a substantial percentage of the housing units are provided for a reasonable income range of low- and moderate-income households.

"Judgment of compliance" or "judgment for repose" means a determination issued by the Superior Court approving a municipality's fair share plan to satisfy its affordable housing obligation for a particular 10-year round.

"Low-income household" means a household with a household income equal to 50 percent or less of the regional median income.

"Low-income unit" means a restricted unit that is affordable to a low-income household.

"Major system" means the primary structural, mechanical, plumbing, electrical, fire protection, or occupant service components of a building which include but are not limited to, weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement or load bearing structural systems.

"Mixed use development" means any development that includes both a non-residential development component and a residential development component, and shall include developments for which: (1)there is a common developer for both the residential development component and the non-residential development component, provided that for purposes of this definition, multiple persons and entities maybe considered a common

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developer if there is a contractual relationship among them obligating each entity to develop at least a portion of the residential or non-residential development, or both, or otherwise to contribute resources to the development; and (2) the residential and non-residential developments are located on the same lot or adjoining lots, including, but not limited to, lots separated by a street, a river, or another geographical feature.

"Moderate-income household" means a household with a household income in excess of 50 percent but less than 80 percent of the regional median income.

"Moderate-income unit" means a restricted unit that is affordable to a moderate-income household.

"MONI" means the no-longer-active Market Oriented Neighborhood Investment Program, as it was authorized by the Agency.

"Municipal housing liaison" or "MHL" means an appointed municipal employee who is, pursuant to N.J.A.C. 5:99-6, responsible for oversight and/or administration of the affordable units created within the municipality.

"Municipal affordable housing trust fund" means a separate, interest-bearing account held by a municipality for the deposit of development fees, payments in lieu of constructing affordable units on sites zoned for affordable housing previously approved prior to March 20, 2024 (per P.L. 2024, c.2), barrier-free escrow funds, recapture funds, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, enforcement fines, unexpended RCA funds remaining from a completed RCA project, application fees, and any other funds collected by the municipality in connection with its affordable housing programs, which shall be used to address municipal low- and moderate-income housing obligations within the time frames established by the Legislature and this chapter.

"Municipal development fee ordinance" means an ordinance adopted by the governing body of a municipality that authorizes the collection of development fees.

"New construction" means the creation of a new housing unit under regulation by a code enforcement official regardless of the means by which the unit is created. Newly constructed units are evidenced by the issuance of a certificate of occupancy and may include new residences created through additions and alterations, adaptive reuse, subdivision, or conversion of existing space, and moving a structure from one location to another.

"New Jersey Affordable Housing Trust Fund" or "NJ AHTF" means that non-lapsing, revolving trust fund established in DCA pursuant to N.J.S.A. 52:27D-320 and N.J.A.C. 5:43 to be the repository of all State funds appropriated for affordable housing purposes. All references to the "Neighborhood Preservation Nonlapsing Revolving Fund" and "Balanced Housing" mean the NJ AHTF.

"New Jersey Housing Resource Center" or "Housing Resource Center" means the online affordable housing listing portal, or its successor, overseen by the Agency pursuant to N.J.S.A. 52:27D-321.3 et seq.

"95/5 restriction" means a deed restriction governing a restricted ownership unit that is part of a housing element that received substantive certification from COAH pursuant to N.J.A.C. 5:93, as it was in effect at the time of the receipt of substantive certification, before October

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1, 2001, or any other deed restriction governing a restricted ownership unit with a seller repayment option requiring 95 percent of the price differential to be paid to the municipality or an instrument of the municipality at the closing of a sale at market price.

"Non-exempt sale" means any sale or transfer of ownership of a restricted unit to one's self or to another individual other than the transfer of ownership between spouses or civil union partners; the transfer of ownership between former spouses or civil union partners ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor's deed to a class A beneficiary; and the transfer of ownership by court order.

"Nonprofit" means an organization granted nonprofit status in accordance with section 501(c)(3) of the Internal Revenue Code.

"Non-residential development" means:

Any building or structure, or portion thereof, including, but not limited to, any appurtenant improvements, which is designated to a use group other than a residential use group according to the State Uniform Construction Code, N.J.A.C. 5:23, promulgated to effectuate the State uniform Construction Code Act, N.J.S.A. 52:27D-119 et seq., including any subsequent amendments or revisions thereto;

Hotels, motels, vacation timeshares, and child-care facilities; and

The entirety of all continuing care facilities within a continuing care retirement community which is subject to the Continuing Care Retirement Community Regulation and Financial Disclosure Act, N.J.S.A.52:27D-330 et seq.

"Non-residential development fee" means the fee authorized to be imposed pursuant to N.J.S.A. 40:55D-8.1 through 40:55D-8.7.

"Order for repose" means the protection a municipality has from a builder's remedy lawsuit for a period of time from the entry of a judgment of compliance by the Superior Court. A judgment of compliance often results in an order for repose.

"Payment in lieu of constructing affordable units" means the prior approval of the payment of funds to the municipality by a developer when affordable units are not produced on a site zoned for an inclusionary development. The statutory permission for payments in lieu of constructing affordable units was eliminated per P.L. 2024, c.2.

"Prospective need" means a projection of housing needs based on development and growth which is reasonably likely to occur in a region or a municipality, as the case may be, as a result of actual determination of public and private entities. Prospective need shall be determined by the methodology set forth pursuant to sections 6 and 7 of P.L.2024, c. 2 (C.52:27D-304.2 and C.52:27D-304.3) for the fourth round and all future rounds of housing obligations.

"Qualified Urban Aid Municipality" means a municipality that meets the criteria established pursuant to N.J.S.A. 52:27D-304.3.c(1).

"Person with a disability" means a person with a physical disability, infirmity, malformation, or disfigurement which is caused by bodily injury, birth defect, aging, or illness including

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epilepsy and other seizure disorders, and which shall include, but not be limited to, any degree of paralysis, amputation, lack of physical coordination, blindness or visual impairment, deafness or hearing impairment, the inability to speak or a speech impairment, or physical reliance on a service animal, wheelchair, or other remedial appliance or device.

"Price differential" means the difference between the controlled sale price of a restricted unit and the contract price at the exit sale of the unit, determined as of the date of a proposed contract of sale for the unit. If there is no proposed contract of sale, the price differential is the difference between the controlled sale price of a restricted unit and the appraised value of the unit as if it were not subject to UHAC, determined as of the date of the appraisal. If the controlled sale price exceeds the contract price or, in the absence of a contract price, the appraised value, the price differential is zero dollars.

"Prior round unit" means a housing unit that addresses a municipality's fair share obligation from a round prior to the fourth round of affordable housing obligations, including any unit that: (1) received substantive certification from COAH; (2) is part of a third-round settlement agreement or judgment of compliance approved by a court of competent jurisdiction, inclusive of units created pursuant to a zoning designation adopted as part of the settlement agreement or judgment of compliance to create a realistic opportunity for development; (3) is subject to a grant agreement or other contract with either the State or a political subdivision thereof entered into prior to July 1, 2025, pursuant to either item (1) or (2) above; or (4) otherwise addresses a municipality's fair share obligation from a round prior to the fourth round of affordable housing obligations. A unit created after the enactment of P.L. 2024, c. 2 (N.J.S.A. 52:27D-304.1) on March 20, 2024, is not a prior round unit unless: (1) it is created pursuant to a prior round development plan or zoning designation that received COAH or court approval on or before the cutoff date of June 30, 2025, or the date that the municipality adopts the implementing ordinances and resolutions for the fourth round of affordable housing obligations, whichever occurs sooner; and (2) its siting and creation are consistent with the form of the prior round development plan or zoning designation in effect as of the cutoff date, without any amendment or variance.

"Program" means the Affordable Housing Dispute Resolution Program, established pursuant to section 5 of P.L.2024, c. 2 (C.52:27D-313.2).

"Random selection process" means a lottery process by which currently income-eligible applicant-households are selected, at random, for placement in affordable housing units such that no preference is given to one applicant over another, except in the case of a veterans' preference where such an agreement exists; for purposes of matching household income and size with an appropriately priced and sized affordable unit; or another purpose allowed pursuant to N.J.A.C. 5:80-26.7(k)3. This definition excludes any practices that would allow affordable housing units to be leased or sold on a first-come, first-served basis.

"RCA administrator" means an appointed municipal employee who is responsible for oversight and/or administration of affordable units and associated revenues and expenditures within the municipality that were funded through regional contribution agreements.

"RCA project plan" means a past application, submitted by a receiving municipality in an RCA, delineating the manner in which the receiving municipality intended to create or rehabilitate low- and moderate-income housing.

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"Receiving municipality" means, for the purposes of an RCA, a municipality that contractually agreed to assume a portion of another municipality's fair share obligation.

"Reconstruction" means any project where the extent and nature of the work is such that the work area cannot be occupied while the work is in progress and where a new certificate of occupancy is required before the work area can be reoccupied, pursuant to the Rehabilitation Subcode of the uniform Construction Code, N.J.A.C. 5:23-6. Reconstruction shall not include projects comprised only of floor finish replacement, painting or wallpapering, or the replacement of equipment or furnishings. Asbestos hazard abatement and lead hazard abatement projects shall not be classified as reconstruction solely because occupancy of the work area is not permitted.

"Recreational facilities and community centers" means any indoor or outdoor buildings, spaces, structures, or improvements intended for active or passive recreation, including, but not limited to, ballfields, meeting halls, and classrooms, accommodating either organized or informal activity.

"Regional contribution agreement" or "RCA" means a contractual agreement, pursuant to the Act, into which two municipalities voluntarily entered into and was approved by COAH and/or Superior Court prior to July 18, 2008, to transfer a portion of a municipality's affordable housing obligation to another municipality within its housing region.

"Regional median income" means the median income by household size for an applicable housing region, as calculated annually in accordance with N.J.A.C. 5:80-26.3.

"Rehabilitation" means the repair, renovation, alteration, or reconstruction of any building or structure, pursuant to the Rehabilitation Subcode, N.J.A.C. 5:23-6.

"Rent" means the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. With respect to units in assisted living residences, rent does not include charges for food and services.

"Residential development fee" means money paid by a developer for the improvement of residential property as permitted pursuant to N.J.S.A. 52:27D-329.2 and N.J.A.C. 5:99-3.2.

"Restricted unit" means a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of this subchapter but does not include a market-rate unit that was financed pursuant to UHORP, MONI, or CHOICE.

"Spending plan" means a method of allocating funds contained in an affordable housing trust fund account, which includes, but is not limited to, development fees collected and to be collected pursuant to an approved municipal development fee ordinance, or pursuant to N.J.S.A. 52:27D-329.1 et seq., for the purpose of meeting the housing needs of low- and moderate-income individuals.

"State Development and Redevelopment Plan" or "State Plan" means the plan prepared pursuant to sections 1 through 12 of the "State Planning Act," P.L.1985, c. 398 (C.52:18A-196 et al.), designed to represent a balance of development and conservation objectives best suited to meet the needs of the State, and for the purpose of coordinating planning activities and establishing Statewide planning objectives in the areas of land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland

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retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination pursuant to subsection f. of section 5 of P.L.1985, c. 398 (C.52:18A-200).

“Supportive housing household” means a very low-, low- or moderate-income household certified as income eligible by an administrative agent in accordance with N.J.A.C. 5:80-26.14, in which at least one member is an individual who requires supportive services to maintain housing stability and independent living and who is part of a population identified by federal or state statute, regulation, or program guidance as eligible for supportive or special needs housing. Such populations include, but are not limited to: persons with intellectual or developmental disabilities, persons with serious mental illness, person with head injuries (as defined in Section 2 of P.L. 1977), persons with physical disabilities or chronic health conditions, persons who are homeless as defined by the U.S. Department of Housing and Urban Development at 24 C.F.R. Part 578, survivors of domestic violence, youth aging out of foster care, and other special needs populations recognized under programs administered by the U.S. Department of Housing and Urban Development, the Low-Income Housing Tax Credit Program, the McKinney–Vento Act, or the New Jersey Department of Human Services. A supportive housing household may include family members, unrelated individuals, or live-in aides, provided that the household meets the income eligibility requirements of this subchapter, except that in the case of unrelated individuals not operating as a family unit, income eligibility shall be tested on an individual basis rather than in the aggregate; the unit is leased or sold subject to the affordability controls established herein; and the supportive services available to the household are designed to promote housing stability, independent living, and community integration. The determination of whether unrelated individuals are operating as a family unit shall be made based on the applicant’s self-identification of household members on the affordable housing application.

“Supportive housing sponsoring program” means grant or loan program which provided financial assistance to the development of the unit.

“Supportive housing unit” means a restricted rental unit that is affordable to very low-, low- or moderate-income households and is reserved for occupancy by a supportive housing household. A supportive housing unit is intended to provide long-term, community-based housing for individuals with intellectual or developmental disabilities, as defined at N.J.S.A. 30:6D-25(b). Such units must be leased subject to the affordability controls established herein; remain subject to Affirmative Marketing requirements, household certification, and administrative agent oversight; and may, with the approval of the municipal housing liaison and the administrative agent, be leased either by the bedroom or to a single household in the case of multi-bedroom configurations, provided such arrangement is consistent with the Federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968) and the project’s Affirmative Marketing Program. A supportive housing unit may, with the approval of the administrative agent, be subject to a master lease by an approved supportive housing operator, provided that all subleases are to be certified supportive housing households and remain fully subject to the affordability controls of this subchapter. Rents for supportive housing units shall not exceed the rent standards established and published by the New Jersey Department of Human Services. Supportive housing units are also referred to as permanent supportive housing units.

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"Transitional housing" means temporary housing that: (1) includes, but is not limited to, single-room occupancy housing or shared living and supportive living arrangements; (2) provides access to on-site or off-site supportive services for very low-income households who have recently been homeless or lack stable housing; (3) is licensed by the department; and (4) allows households to remain for a minimum of six months.

"Treasurer" means the Treasurer of the State of New Jersey.

"UHAC" means the Uniform Housing Affordability Controls set forth at N.J.A.C. 5:80-26.

"UHORP" means the Agency's Urban Homeownership Recovery Program, as it was authorized by the Agency Board.

"Unit type" means type of dwelling unit with various building standards including but not limited to single-family detached, single-family attached/townhouse, stacked townhouse (attached building containing 2 units each with separate entrances), duplex (detached building containing 2 units each with separate entrances), triplex (3 units each with separate entrance), quadplex (4 units each with separate entrance), multifamily / flat (2 or more units with a shared entrance). Inclusion of a garage, or not, shall not define the unit type.

"Very-low-income household" means a household with a household income less than or equal to 30 percent of the regional median income.

"Very-low-income housing" means housing affordable according to the Federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income equal to 30 percent or less of the median gross household income for households of the same size within the housing region in which the housing is located.

"Very-low-income unit" means a restricted unit that is affordable to a very-low-income household.

"Veteran" means a veteran as defined at N.J.S.A. 54:4-8.10.

"Veterans' preference" means the agreement between a municipality and a developer or residential development owner that allows for low- to moderate-income veterans to be given preference for up to 50 percent of rental units in relevant projects, as provided for at N.J.S.A. 52:27D-311.j.

"Weatherization" means building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows and replacement doors and is considered a major system for rehabilitation.

C. Monitoring and Reporting Requirements

1. The municipality shall comply with the following monitoring and reporting requirements regarding the status of the implementation of its court-approved Housing Element and Fair Share Plan:
 - a. The municipality shall provide electronic monitoring data with the Department pursuant to P.L. 2024, Chapter 2 and N.J.A.C. 5:99 through the Affordable Housing Monitoring System (AHMS). All monitoring information required to be made public

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by the FHA shall be available to the public on the Department's website at <https://www.nj.gov/dca/dlps/hss/MuniStatusReporting.shtml>.

- b. On or before February 15 of each year, the municipality shall provide annual reporting of its municipal Affordable Housing Trust Fund activity to the Department on the AHMS portal. The reporting shall include an accounting of all municipal Affordable Housing Trust Fund activity, including the sources and amounts of funds collected and the amounts and purposes for which any funds have been expended, for the previous year from January 1st to December 31st.
- c. On or before February 15 of each year, the annual reporting of the status of all affordable housing activity shall be provided to the Department on the AHMS portal, for the previous year from January 1st to December 31st.

D. Municipality-wide Mandatory Set-Aside

1. A mandatory on-site affordable housing set-aside requirement shall apply beginning with the effective date of this article to any residential development, including the residential portion of a mixed-use project, which consists of five or more new residential units. The minimum mandatory on-site affordable housing set-aside shall be 20% for both for-sale and rental units.
2. Any affordable units generated through such mandatory set-aside shall be subject to all other provisions of this ordinance.
3. All such affordable units shall be governed by this ordinance, the controls on affordability, including bedroom distribution, and affirmatively marketed to the housing region in conformance with UHAC at N.J.A.C. 5:80-26.1 et seq., any successor regulation, and all other applicable laws.
4. No subdivision shall be permitted or approved for the purpose of avoiding compliance with this requirement. Developers cannot, for example, subdivide a project into two lots and then make each of them a number of units just below the threshold.
5. The mandatory set-aside requirements of this section do not give any developer the right to any rezoning, variance or other relief, or establish any obligation on the part of the municipality to grant such rezoning, variance or other relief.
6. This municipality-wide mandatory set-aside requirement does not apply to any sites or specific zones otherwise identified in the HEFSP, for which density and set-aside requirements shall be governed by the specific standards as set forth therein.
7. In the event that the inclusionary set-aside of 20% of the total number of residential units does not result in a full integer, the developer shall round the set-aside upward to construct a whole additional affordable unit, regardless if the fractional unit is less than 0.5. For example, if seven total units are developed at an inclusionary site, a 20% set-aside would require 1.4 affordable units. Per the requirement above, the developer shall round up the 0.4 unit to one whole affordable unit so as to construct a total of two (2) affordable housing units.

E. New Construction (per N.J.A.C. 5:93 as may be updated per various sections in N.J.A.C. 5:97 and N.J.S.A. 52:27D-301 et seq.). Per the definition of "New Construction," this section governs the creation of new affordable housing units regardless of the means by which the

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units are created. Newly constructed units may include new residences constructed or created through other means.

1. The following requirements shall apply to all new or planned developments that contain very low-, low- and moderate-income housing units. To the extent possible, details related to the adherence to the requirements below shall be outlined in the resolution granting municipal subdivision or site plan approval of the project to assist municipal representatives, developers and Administrative Agents.
2. Completion Schedule (previously known as phasing). Final site plan or subdivision approval shall be contingent upon the affordable housing development meeting the following completion schedule for very low-, low- and moderate-income units whether developed in a single-phase development, or in a multi-phase development:

Maximum Percentage of Market-Rate Units Issued a Temporary or Final Certificate of Occupancy	Minimum Percentage of Affordable Units Issued a Temporary or Final Certificate of Occupancy
25+1	10
50	50
75	75
90	100

3. Design. The following design requirements apply to affordable housing developments, excluding prior round units.
 - a. Design of 100 percent affordable developments:
 - i. Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.
 - ii. Each bedroom in each restricted unit must have at least one window.
 - iii. Restricted units must include adequate air conditioning and heating.
 - b. Design of developments comprising market-rate rental units and restricted rental units. The following does not apply to prior round units, unless stated otherwise.
 - i. Restricted units must use the same building materials and architectural design elements (for example, plumbing, insulation, or siding) as market-rate units of the same unit type (for example, flat or townhome) within the same development, except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
 - ii. Restricted units and market-rate units within the same affordable development must be sited such that restricted units are not concentrated in less desirable locations.
 - iii. Restricted units may not be physically clustered so as to segregate restricted and market-rate units within the same development or within the same building, but

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must be interspersed throughout the development, except that age-restricted and supportive housing units may be physically clustered if the clustering facilitates the provision of on-site medical services or on-site social services. Prior round affordable units shall be integrated with market rate units to the extent feasible.

- iv. Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.
- v. Restricted units must include adequate air conditioning and heating and must use the same type of cooling and heating sources as market-rate units of the same unit type. This shall apply to prior round units.
- vi. Each bedroom in each restricted unit must have at least one window.
- vii. Restricted units must be of the same unit type as market-rate units within the same building.
- viii. Restricted units and bedrooms must be no less than 90 percent of the minimum size prescribed by the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.

- c. Design of developments containing for-sale units, including those with a mix of rental and for-sale units. Restricted rental units shall meet the requirements of section b above. Restricted sale units shall comply with the below:
 - i. Restricted units must use the same building standards as market-rate units of the same unit type (for example, flat, townhome, or single-family home), except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
 - ii. Restricted units may be clustered, provided that the buildings or housing product types containing the restricted units are integrated throughout the development and are not concentrated in an undesirable location or in undesirable locations. Prior round affordable units shall be integrated with market rate units to the extent feasible.
 - iii. Restricted units may be of different unit housing product types than market-rate units, provided that there is a restricted option available for each market rate housing type. Developments containing market-rate duplexes, townhomes, and/or single-family homes shall offer restricted housing options that also include duplexes, townhomes, and/or single-family homes. Penthouses and higher priced end townhouses may be exempt from this requirement. The proper ratio for restricted to market-rate unit type shall be subject to municipal ordinance or, if not specified, shall be determined at the time of site plan approval.
 - iv. Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage

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required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.

- v. Penthouse and end units may be reserved for market-rate sale, provided that the overall number, value, and distribution of affordable units across the development is not negatively impacted by such reservation(s).
- vi. Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.
- vii. Each bedroom in each restricted unit must have at least one window; and
- viii. Restricted units must include adequate air conditioning and heating.

4. Utilities.

- a. Affordable units shall utilize the same type of cooling and heating source as market-rate units within the affordable housing development.
- b. Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance in accordance with N.J.A.C 5:80-26.13(e).

5. Low/moderate split and bedroom distribution.

- a. Affordable units shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low-income unit.
- b. In each affordable housing development, at least 50% of the restricted units within each bedroom distribution rounded up to the nearest whole number shall be very low- or low-income units. The municipality has chosen to allow rounding.
- c. Within rental developments, of the total number of affordable rental units, at least 13%, rounded up to the nearest whole number, shall be affordable to very low-income households. The very low-income units shall be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count, and counted as part of the required number of low-income units within the development.
- d. Affordable housing developments that are not age-restricted or supportive housing shall be structured such that:
 - i. At a minimum, the number of bedrooms within the restricted units equals twice the number of restricted units;
 - ii. Two-bedroom and/or three-bedroom units compose at least 50 percent of all restricted units;

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- iii. The combined number of efficiency and one-bedroom units shall be no greater than 20%, rounded down, of the total number of low- and moderate-income units. The municipality has chosen to allow rounding.
- iv. At least 30% of all low- and moderate-income units, rounded up shall be two-bedroom units. The municipality has chosen to allow rounding.
- v. At least 20% of all low- and moderate-income units, rounded up shall be three-bedroom units. The municipality has chosen to allow rounding.
- vi. The remaining units may be allocated among two- and three- bedroom units at the discretion of the developer.
- e. Affordable housing developments that are age-restricted or supportive housing, except those supportive housing units whose sponsoring program determines the unit arrangements, shall be structured such that, at a minimum, the number of bedrooms shall equal the number of age-restricted or supportive housing low- and moderate-income units within the inclusionary development. Supportive housing units whose sponsoring program determines the unit arrangement shall comply with all requirements of the sponsoring program. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit. In affordable housing developments with 20 or more restricted units that are age-restricted or supportive housing, two-bedroom units must comprise at least 5% of those restricted units.

6. Accessibility requirements.

- a. Any new construction shall be adaptable; however, elevators shall not be required in any building or within any dwelling unit for the purpose of compliance with this section. In buildings without elevator service, only ground floor dwelling units shall be required to be constructed to conform with the technical design standards of the barrier free subcode. "Ground floor" means the first floor with a dwelling unit or portion of a dwelling unit, regardless of whether that floor is at grade. A building may have more than one ground floor.
- b. Notwithstanding the exemption for townhouse dwelling units in the barrier free subcode, the first floor of all townhouse dwelling units and of all other multifloor dwelling units that are attached to at least one other dwelling unit shall be subject to the technical design standards of the barrier free subcode and shall include the following features:
 - i. An adaptable toilet and bathing facility on the first floor;
 - ii. An adaptable kitchen on the first floor;
 - iii. An interior accessible route of travel however an interior accessible route of travel shall not be required between stories;
 - iv. An adaptable room that can be used as a bedroom, with a door, or the casing for the installation of a door that is compliant with the Barrier Free Subcode, on the first floor;

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- v. If not all of the foregoing requirements in b.i. through b.iv. can be satisfied, then an interior accessible route of travel shall be provided between stories within an individual unit; and
- vi. An accessible entranceway as set forth in P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and the Barrier Free Subcode, N.J.A.C. 5:23-7, or evidence that the municipality has collected funds from the developer sufficient to make 10% of the adaptable entrances in the development accessible:
 - (a) Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.
 - (b) To this end, the builder of restricted units shall deposit funds within the municipal Affordable Housing Trust Fund sufficient to install accessible entrances in 10% of the affordable units that have been constructed with adaptable entrances.
 - (c) The funds deposited shall be expended for the sole purpose of making the adaptable entrance of an affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.
 - (d) The developer of the restricted units shall submit to the Construction Official a design plan and cost estimate for the conversion from adaptable to accessible entrances.
 - (e) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meets the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to the municipal Affordable Housing Trust Fund and earmarked appropriately.
- vii. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is “site-impracticable” to meet the requirements. If full compliance with this section would be site impracticable, compliance with this section for any portion of the dwelling shall be required to the extent that it is not site impracticable. Determinations of site impracticability shall comply with the Barrier Free Subcode at N.J.A.C. 5:23-7.

F. Affordable Housing Programs

1. Pursuant to amended UHAC regulations at N.J.A.C. 5:80-26.1 et seq. and, in addition, pursuant to P.L. 2024, c.2 and specifically to the amended FHA at N.J.S.A. 52:27D-311.m, “All parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by the Council on Affordable Housing unless those regulations are contradicted by statute, including but not limited to P.L. 2024, c.2, or binding court decisions.” The following are many of the main provisions of the COAH regulations at either N.J.A.C. 5:93 or 5:97 that have been upheld by the NJ Supreme Court. Municipalities should consult the cited full COAH regulations when preparing the HEFSP for required documentation, etc. Additional compliance details may also be included in the specific municipal program manual.

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2. Inclusionary zoning and new construction programs shall be implemented in accordance with the Township's adopted Fourth Round Housing Element and Fair Share Plan, as amended, and consistent with the terms of the Consent Order entered between the Township and Fair Share Housing Center on December 8, 2025, and subject to the terms of any future Order from the Court.
3. Rehabilitation Programs (per N.J.A.C. 5:93-5.2 with updated provisions herein per N.J.A.C. 5:97-6.2 related to credit towards a municipal present need obligation). The Township will continue its participation in the Union County Home Improvement Program to satisfy its rehabilitation obligation.
 - a. The rehabilitation program shall be designed to renovate deficient housing units occupied or intended to be occupied by very low-, low- and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28-1.1 et seq or the Rehabilitation Subcode, N.J.A.C. 5:23-6 to the extent applicable.
 - b. Both ownership and rental units shall be eligible for rehabilitation funds.
 - c. All rehabilitated units shall remain affordable to very low-, low- and moderate-income households for a period of 10 years (the control period). For owner-occupied units, the control period shall be enforced with a mortgage and note and for renter-occupied units the control period will be enforced with a deed restriction.
 - d. The municipality shall dedicate a minimum average hard cost of \$10,000 for each unit to be rehabilitated through this program and in addition shall dedicate associated rehabilitation program soft costs such as case management, inspection fees and work write-ups.
 - e. The municipality shall designate, subject to the approval of the Department, one or more Administrative Agents to administer the rehabilitation program in accordance with P.L 2024, Chapter 2. The Administrative Agent(s) shall provide rehabilitation manuals for ownership and rental rehabilitation programs. Manuals shall be adopted by resolution of the governing body. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and on the municipal affordable housing web page.
 - f. Households determined to be very low-, low-, or moderate-income may participate in a rehabilitation program. Rehabilitated units shall be exempt from the very low-income requirements, low/mod split, and bedroom distribution requirements of UHAC, but shall be administered in accordance with the following:
 - i. If a unit is vacant at the time of rehabilitation, or if a rehabilitated unit becomes vacant and is re-rented before the expiration of the affordability controls, the deed restriction shall require that the unit be rented to a low- or moderate-income household at an affordable rent.
 - ii. If a rental unit is occupied by a tenant at the time rehabilitation is completed, the rent charged after rehabilitation shall not exceed the lesser of the tenant's current rent or the maximum rent permitted under UHAC.

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- iii. Rents in rehabilitated units may increase annually based on the standards in UHAC.
- iv. At the time of application, applicant households and/or tenant households shall be subject to income eligibility determinations in accordance with UHAC.
- 4. Extension of Controls Program (for ownership units per N.J.A.C. 5:97-6.14 and UHAC at N.J.A.C. 5:80-26.6(h) through (k) and (m); and for rental units per N.J.A.C. 5:97-6.14 and N.J.A.C. 5:80-26.12(h) through (k)).
 - a. An extension of affordability controls program is established to maintain and extend the affordability of deed restricted units scheduled to come out of their affordability control period, subject to N.J.A.C. 5:97-6.14 and UHAC, including the following:
 - i. The affordable unit meets the criteria for prior cycle (April 1, 1980 - December 15, 1986) or post December 15, 1986 credits set forth in N.J.A.C. 5:97.
 - ii. The affordability controls for the unit are scheduled to expire in the current round; or in the next round of housing obligations if the municipal election to extend controls is made no earlier than one year before the end of the current round;
 - iii. The municipality shall obtain a continuing certificate of occupancy or a certified statement from the municipal building inspector stating that the restricted unit meets all code standards.
 - iv. If a unit requires repair and/or rehabilitation work in order to receive a continuing certificate of occupancy or certified statement from the municipal building inspector, the municipality shall fund and complete the work.
 - v. The municipality shall adhere to the process for extending controls pursuant to UHAC for extending ownership units and rental units, either inclusionary or 100% affordable developments.
 - vi. The deed restriction for the extended control period shall be filed with the County Clerk.
- 5. Assisted Living Residence (per N.J.A.C. 5:97-6.11).
 - a. An assisted living residence is a facility licensed by the New Jersey Department of Health to provide apartment-style housing and congregate dining and to assure that assisted living services are available. All or a designated number of apartments in the facility shall be restricted to low- and moderate-income households.
 - b. The unit of credit shall be the apartment. However, a two-bedroom apartment shall be eligible for two units of credit if it is restricted to two unrelated individuals.
 - c. A recipient of a Medicaid waiver shall automatically qualify as a low- or moderate-income household.
 - d. Assisted living units are considered age-restricted housing in a HEFSP and shall be included with the maximum number of units that may be age-restricted.
 - e. Low- and moderate-income residents cannot be charged any upfront fees.
 - f. The units shall comply with UHAC with the following exceptions:

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- i. Affirmative marketing (N.J.A.C. 5:80-26.16); provided that the units are restricted to recipients of Medicaid waivers;
- ii. The deed restriction may be on the facility, rather than individual apartments or rooms;
- iii. Low/moderate income split and affordability average (N.J.A.C. 5:80-26.4); only if all of the affordable units are affordable to households at a maximum of 60 percent of median income; and
- g. Tenant income eligibility (N.J.A.C. 5:80-26.14); up to 80 percent of an applicant's gross income may be used for rent, food and services based on occupancy type and the affordable unit must receive the same basic services as required by the Agency's underwriting guidelines and financing policies. The cost of non-housing related services shall not exceed one and two-thirds times the rent established for each unit.

6. Supportive Housing and Group Homes (per N.J.A.C. 5:97-6.10).
 - a. The following provisions shall apply to group homes, residential health care facilities, and supportive shared living housing:
 - i. The unit of credit shall be the bedroom. However, the unit of credit shall be the unit if occupied by a single person or household.
 - ii. Housing that is age-restricted shall be included with the maximum number of units that may be age-restricted pursuant to the Act.
 - iii. Occupancy shall not be restricted to youth under 18 years of age.
 - iv. In affordable developments with 20 or more restricted units that are supportive housing, two-bedroom units must compose at least five percent of those restricted units.
 - v. The bedrooms and/or units shall comply with UHAC with the following exceptions:
 - (a) Affirmative marketing; however, group homes, residential health care facilities, permanent supportive housing and supportive shared living housing shall be affirmatively marketed to broadest possible population of qualified individuals with special needs in accordance with a plan approved by the sponsoring program;
 - (b) Affordability average and bedroom distribution (N.J.A.C. 5:80-26.4).
 - vi. With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, group homes, residential health care facilities, supportive shared living housing and permanent supportive housing shall have the appropriate controls on affordability in accordance with the Act. In the event that a supportive housing provider is unable to record or execute a long-term deed restriction, the units shall be subject to annual recertification by the Municipal Housing Liaison to confirm continued occupancy and compliance with this Section.

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- vii. Objective standards shall be applied in the selection of tenants for supportive housing units and shall be designed to ensure that individuals are not excluded in an arbitrary or capricious manner.
- viii. The following documentation shall be submitted by the sponsor to the municipality prior to marketing the completed units or facility:
 - (a) An Affirmative Marketing Plan in accordance with I.1 below; and
 - (b) If applicable, proof that the supportive and/or special needs housing is regulated by the New Jersey Department of Health and Senior Services, the New Jersey Department of Human Services or another State agency in accordance with the requirements of this section, which includes validation of the number of bedrooms or units in which low- or moderate-income occupants reside.
- ix. The sponsor/owner shall complete annual monitoring as directed by the MHL.
- x. The section 'Zoning for Inclusionary Development' at N.J.A.C. 5:97-6.4 details the standards for municipalities to rezone specific sites through the establishment of an inclusionary zoning district in the municipal code, but not necessarily to be included in with these affordable housing provisions to administer affordable units. Any new inclusionary zoning districts should also reference adherence with the municipal affordable housing provisions found herein. In addition, the FHA was amended per P.L. 2024, c.2 to eliminate N.J.S.A 52:27D-329.3 which had been the statutory authority for payments in-lieu of constructing affordable units.
- xi. The section 'Redevelopment' at N.J.A.C. 5:97-6.6 details the standards for municipalities to include formally designated redevelopment sites in their HEFSP. Any redevelopment sites should also reference adherence with the municipal affordable housing provisions found herein.
- xii. The section 'Municipally sponsored and 100 percent affordable developments' at N.J.A.C. 5:97-6.7 details the standards for municipalities to include 100% affordable housing sites in their HEFSP. Any such sites should also reference adherence with the municipal affordable housing provisions found herein to the extent such provisions are not superseded by state or federally funded affordable housing programs per the applicability section of UHAC at N.J.A.C. 5:80-26.1.

G. Regional Income Limits.

1. Administrative agents shall use the current regional income limits for the purpose of pricing affordable units and determining income eligibility of households.
2. Regional income limits are based on regional median income, which is established by a regional weighted average of the "median family incomes" published by HUD. The procedure for computing the regional median income is detailed in N.J.A.C. 5:80-26.3.
3. Updated regional income limits are effective as of the effective date of the regional Section 8 income limits for the year, as published by HUD, or 45 days after HUD publishes the regional Section 8 income limits for the year, whichever comes later. The new income limits may not be less than those of the previous year.

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H. Maximum Initial Rents And Sales Prices.

1. In establishing rents and sales prices of affordable housing units, the Administrative Agent shall follow the procedures set forth in UHAC N.J.A.C. 5:80-26.4.
2. The average rent for all restricted units within each affordable housing development shall be affordable to households earning no more than 52 percent of regional median income.
3. The maximum rent for restricted rental units within each affordable housing development shall be affordable to households earning no more than 60% of regional median income. The maximum rent may be increased to no more than 70 percent of regional median income for moderate-income units within affordable developments where very-low-income units compose at least 13 percent of the restricted units; however, the number of units with rent affordable to households earning 70 percent of regional median income may not exceed the number of very-low-income units in excess of 13 percent (rounded up) of the restricted units.
4. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units, provided that at least 13% of all low- and moderate-income rental units shall be affordable to households earning no more than 30% of median income. These very low-income units shall be part of the low-income requirement and very-low-income units should be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count.
5. The maximum sales price of restricted ownership units within each affordable housing development shall be affordable to households earning no more than 70% of median income, and each affordable housing development must achieve an affordability average that does not exceed 55% for all restricted ownership units. In achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type when the number of low- and moderate-income units permits.
6. The master deeds and declarations of covenants and restrictions for affordable developments
may not distinguish between restricted units and market-rate units in the calculation of any
condominium or homeowner association fees and special assessments to be paid by low-
and
moderate-income purchasers and those to be paid by market-rate purchasers.
Notwithstanding the foregoing sentence, condominium units subject to a municipal
ordinance adopted before December 20, 2004, which ordinance provides for
condominium or homeowner association fees and/or assessments different from those
provided for in this subsection are governed by the ordinance.
7. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted family units, the following standards shall be met:
 - a. A studio or efficiency unit shall be affordable to a one-person household;
 - b. A one-bedroom unit shall be affordable to a one and one-half person household;

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- c. A two-bedroom unit shall be affordable to a three-person household;
- d. A three-bedroom unit shall be affordable to a four and one-half person household; and
- e. A four-bedroom unit shall be affordable to a six-person household.

8. In determining the initial rents and sales prices for compliance with the affordability average requirements for restricted units in assisted living facilities and age-restricted and special needs and supportive housing developments, the following standards shall be met:

- a. A studio or efficiency unit shall be affordable to a one-person household;
- b. A one-bedroom unit shall be affordable to a one and one-half person household; and
- c. A two-bedroom unit shall be affordable to a two-person household or to two one-person households. Where pricing is based on two one-person households, the developer shall provide a list of units so priced to the Municipal Housing Liaison and the Administrative Agent.

9. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95 percent of the purchase price and the FreddieMac 30-Year Fixed Rate-Mortgage rate of interest), property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 30 percent of the eligible monthly income of the appropriate size household as determined pursuant to N.J.A.C. 5:80-26.7, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.4, as may be amended and supplemented.

10. The initial rent for a restricted rental unit shall be calculated so that the total monthly housing expense, including an allowance for tenant-paid utilities, does not exceed 30 percent of the gross monthly income of a household of the appropriate size whose income is targeted to the applicable percentage of median income for the unit, as determined pursuant to N.J.A.C. 5:80-26.3, as may be amended and supplemented. The rent shall also comply with the affordability average requirement of N.J.A.C. 5:80-26.4, as may be amended and supplemented. The initial rent for a restricted rental unit shall be calculated so the eligible monthly housing expenses/income, including an allowance for tenant-paid utilities does not exceed 30 percent of gross income of and the appropriate household size as determined pursuant to N.J.A.C. 5:80-26.3, as may be amended and supplemented.

11. At the anniversary date of the tenancy of the certified household occupying a restricted rental unit, following proper notice provided to the occupant household pursuant to N.J.S.A. 2A:18-61.1.f, the rent may be increased to an amount commensurate with the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), specifically U.S. Bureau of Labor Statistics Series CUUR0100SAH, titled "Housing in Northeast urban, all urban consumers, not seasonally adjusted." Rent increases for units constructed pursuant to Low-Income Housing Tax Credit regulations shall be indexed pursuant to the regulations governing Low-Income Housing Tax Credits.

I. Affirmative Marketing.

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1. The municipality shall adopt, by resolution, an Affirmative Marketing Plan, subject to approval of the Superior Court, compliant with N.J.A.C. 5:80-26.16, as may be amended and supplemented.
2. The Affirmative Marketing Plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age, or number of children, to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The Affirmative Marketing Plan is intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward Housing Region 2 and is required to be followed throughout the period of deed restriction.
3. The Affirmative Marketing Plan provides the following preferences, provided that units that remain unoccupied after these preferences are exhausted may be offered to households without regard to these preferences.
 - a. Where the municipality has entered into an agreement with a developer or residential development owner to provide a preference for very-low-, low-, and moderate-income veterans who served in time of war or other emergency, pursuant to N.J.S.A. 52:27D-311.j, there shall be a preference for veterans for up to 50 percent of the restricted rental units in a particular project.
 - b. There shall be a regional preference for all households that live and/or work in Housing Region 2 comprising Essex, Morris, Warren, and Union Counties.
 - c. Subordinate to the regional preference, there shall be a preference for households that live and/or work in New Jersey.
 - d. With respect to existing restricted units undergoing approved rehabilitation for the purpose of preservation or to restricted units newly created to replace existing restricted units undergoing demolition, a preference for the very-low-, low-, and moderate-income households that are displaced by the rehabilitation or demolition and replacement.
4. The municipality has the ultimate responsibility for adopting the Affirmative Marketing Plan and for the proper administration of the Affirmative Marketing Process, including the marketing of initial sales and rentals and resales and re-rentals. The Administrative Agent designated by the municipality shall implement the Affirmative Marketing Process to ensure the Affirmative Marketing of all affordable units, with the exception of affordable programs that are exempt from Affirmative Marketing as noted herein.
5. The Affirmative Marketing Process shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Process, the Administrative Agent shall consider the use of language translations where appropriate.
6. Applications for affordable housing or notices thereof, if offered online, shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; the municipal administration building and municipal library in the municipality in which the units are

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located; and the developer's rental or sales office. The developer shall mail applications to prospective applicants upon request and shall make applications available through a secure online website address.

7. In addition to other Affirmative Marketing strategies, the Administrative Agent shall provide specific notice of the availability of affordable housing units on the New Jersey Housing Resource Center website. Any other entities, including developers or persons or companies retained to implement the Affirmative Marketing Process, shall comply with this paragraph.
8. In implementing the Affirmative Marketing Process, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
9. The Affirmative Marketing Process for available affordable units shall begin at least four months (120 days) prior to the expected date of occupancy.
10. The cost to affirmatively market the affordable units shall be the responsibility of the developer, sponsor or owner, with the exception of Affirmative Marketing for resales.

J. Selection of Occupants of Affordable Housing Units.

1. The Administrative Agent shall use a random selection process to select occupants of very low-, low- and moderate-income housing.
2. A pool of interested households will be maintained in accordance with the provisions of N.J.A.C. 5:80-26.16.

K. Occupancy Standards.

1. In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:
 - a. Ensure each bedroom is occupied by at least one person, except for age-restricted and supportive and special needs housing units;
 - b. Provide a bedroom for every two adult occupants;
 - c. With regard to occupants under the age of 18, accommodate the household's requested arrangement, except that such arrangement may not result in more than two occupants under the age of 18 occupying any bedroom; and
 - d. Avoid placing a one-person household into a unit with more than one bedroom.

L. Control Periods for Restricted Ownership Units and Enforcement Mechanisms.

1. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.6, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the controls on affordability for a period of at least 30 years subject to the requirements of N.J.A.C. 5:80-26.6, as may be amended and supplemented.
2. Rehabilitated housing units that are improved to code standards shall be subject to affordability controls for a period of not less than 10 years (crediting towards present need only).

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3. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit. The date of commencement shall be identified in the deed restriction.
4. If existing affordability controls are being extended, the extended control period for a restricted ownership unit commences on the effective date of the extension, which is the end of the original control period.
5. After the end of any control period, the restricted ownership unit remains subject to the affordability controls set forth in this subchapter until the owner gives notice of their intent to make an exit sale, at which point:
 - a. If the municipality exercises the right to extend the affordability controls on the unit, no exit sale occurs and a new control period commences; or
 - b. If the municipality does not exercise the right to extend the affordability controls on the unit, the affordability controls terminate following the exit sale.
6. Prior to the issuance of any building permit for the construction/rehabilitation of restricted ownership units, the developer/owner and the municipality shall record a preliminary instrument provided by the Administrative Agent.
7. Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the Administrative Agent shall determine the restricted price for the unit and shall also determine the nonrestricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.
8. At the time of the initial sale of the unit and upon each successive price-restricted sale, the initial purchaser shall execute and deliver to the Administrative Agent a recapture note obliging the purchaser, as well as the purchaser's heirs, successors, and assigns, to repay, upon the first non-exempt sale after the unit's release from the restrictions set forth in this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.
9. The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to price-restricted ownership units.

M. Price Restrictions for Restricted Ownership Units and Resale Prices.

1. Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.7, as may be amended and supplemented, including:
 - a. The initial purchase price and affordability percentage for a restricted ownership unit shall be set by the Administrative Agent.
 - b. The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the standards set forth in N.J.A.C 5:80-26.7.
 - i. If the resale occurs prior to the one-year anniversary of the date on which title to the unit was transferred to a certified household, the maximum resale price for a is the most recent non-exempt purchase price.

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- ii. If the resale occurs on or after such anniversary date, the maximum resale price is the most recent non-exempt purchase price increased to reflect the cumulative annual percentage increases to the regional median income, effective as of the same date as the regional median income calculated pursuant to N.J.A.C. 5:80-26.3
- c. The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of anticipated capital improvements. Eligible capital improvements shall be:
 - i. those that render the unit suitable for a larger household or the addition of a bathroom.
 - ii. The maximum resale price may be further increased by an amount up to the cumulative dollar value of approved capital improvements made after the last non-exempt sale for improvements and/or upgrades to the unit, excluding capital improvements paid for by the entity favored on the recapture note and recapture lien described at N.J.A.C. 5:80-26.6(d);
- d. No increase for capital improvements is permitted if the maximum resale price prior to adjusting for capital improvements already exceeds whatever initial purchase price the unit would have if it were being offered for purchase for the first time at the initial affordability percentage. All adjustments for capital improvements are subject to 10-year, straight-line depreciation.

2. Upon the resale of a restricted ownership unit, all items of property that are permanently affixed to the unit or were included when the unit was initially restricted (for example, refrigerator, range, washer, dryer, dishwasher, wall-to-wall carpeting) shall be included in the maximum allowable resale price. Other items may be sold to the purchaser at a reasonable price that has been approved by the Administrative Agent at the time of the signing of the agreement to purchase but shall be separate and apart from any contract of sale for the underlying real estate. The purchase of central air conditioning installed subsequent to the initial sale of the unit and not included in the base price may be made a condition of the unit resale provided the price of the air conditioning equipment, which shall be subject to 10-year, straight-line depreciation, has been approved by the Administrative Agent. Unless otherwise approved by the Administrative Agent, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The seller and the purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale.

N. Buyer Income Eligibility.

1. Buyer income eligibility for restricted ownership units shall be established pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented, such that very low-income ownership units shall be reserved for occupancy by households with a gross household income less than or equal to 30% of median income, low-income ownership units shall be reserved for occupancy by households with a gross household income less than or equal to 50% of median income and moderate-income ownership units shall be reserved

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for occupancy by households with a gross household income less than 80% of median income.

2. Notwithstanding the foregoing, the Administrative Agent may, upon approval by the municipality, and subject to the Division's approval, permit a moderate-income purchaser to buy a low-income unit if and only if the Administrative Agent can demonstrate that there is an insufficient number of eligible low-income purchasers in the housing region to permit prompt occupancy of the unit and all other reasonable efforts to attract a low-income purchaser, including pricing and financing incentives, have failed. Any such low-income unit that is sold to a moderate-income household shall retain the required pricing and pricing restrictions for a low-income unit. Similarly, the administrative agent may permit low-income purchasers to buy very-low-income units in housing markets where, as determined by the Division, units are reserved for very-low-income purchasers, but there is an insufficient number of very-low-income purchasers to permit prompt occupancy of the units. In such instances, the purchased unit must be maintained as a very-low-income unit and sold at a very-low-income price point such that on the next resale the unit will still be affordable to very-low-income households and able to be purchased by a very-low-income household. A very-low-income unit that is seeking bonus credit pursuant to N.J.S.A. 52:27D-311.k(9) must first be advertised exclusively as a very-low-income unit according to the Affirmative Marketing requirements at N.J.A.C. 5:80-26.16, then advertised as a very-low-income or low-income unit for at least 30 additional days prior to referring any low-income household to the unit.
3. A certified household that purchases a restricted ownership unit must occupy it as the certified household's principal residence and shall not lease the unit; provided, however, that the Administrative Agent may permit the owner of a restricted ownership unit, upon application and a showing of hardship, to lease the restricted unit to another certified household for a period not to exceed one year.
4. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 35 percent of the household's eligible monthly income; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
 - a. The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for housing expenses, and the proposed housing expenses will reduce its housing costs;
 - b. The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for housing expenses in the past and has proven its ability to pay; or
 - c. The household is currently in substandard or overcrowded living conditions;
 - d. The household documents the existence of assets, within the asset limitation otherwise applicable, with which the household proposes to supplement the rent payments

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O. Limitations on Indebtedness Secured by Ownership Unit; Subordination.

1. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the owner shall apply to the Administrative Agent for a determination in writing that the proposed indebtedness complies with the provisions of this Section, and the Administrative Agent shall issue such determination prior to the owner incurring such indebtedness.
2. With the exception of original purchase money mortgages, neither an owner nor a lender shall at any time during the control period cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95% of the maximum allowable resale price of that unit, as such price is determined by the Administrative Agent in accordance with N.J.A.C. 5:80-26.7(c).

P. Control Periods for Restricted Rental Units.

1. Control periods for units that meet the definition of prior round units shall be pursuant to the 2001 UHAC rules originally adopted October 1, 2001, 33 N.J.R. 3432 and shall remain subject to the requirements of this ordinance for a period of at least 30 years as applicable unless otherwise indicated.
2. Other than for prior round units, control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.12, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this Ordinance for a period of at least 40 years. Restricted rental units created as part of developments receiving 9% Low-Income Housing Tax Credits must comply with a control period of not less than a 30-year compliance period plus a 15-year extended use period for a total of 45 years.
3. The affordability control period for a restricted rental unit shall commence on the first date that a unit is issued a certificate of occupancy following the execution of the deed restriction or, if affordability controls are being extended, on the effective date of the extension, which is the end of the original control period.
4. Rehabilitated renter-occupied housing units that are improved to code standards shall be subject to affordability controls for a period of not less than 10 years.
5. Prior to the issuance of any building permit for the construction/rehabilitation of restricted rental units, the developer/owner and the municipality shall record a preliminary instrument provided by the Administrative Agent.
6. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property. The deed restriction shall be recorded by the developer with the county records office, and provided as filed and recorded, to the Administrative Agent within 30 days of the receipt of a certificate of occupancy.
7. A restricted rental unit shall remain subject to the affordability controls of this Ordinance despite the occurrence of any of the following events:
 - a. Sublease or assignment of the lease of the unit;
 - b. Sale or other voluntary transfer of the ownership of the unit;

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- c. The entry and enforcement of any judgment of foreclosure on the property containing the unit; or
- d. The end of the control period, until the occupant household vacates the unit, or is certified as over-income and the controls are released in accordance with UHAC.

Q. Rent Restrictions for Rental Units; Leases and Fees.

1. The initial rent for a restricted rental unit shall be set by the Administrative Agent.
2. A written lease shall be required for all restricted rental units, except for units in an assisted living residence, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be retained on file by the Administrative Agent.
3. No additional fees, operating costs, or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.
 - a. Operating costs, for the purposes of this section, include certificate of occupancy fees, move-in fees, move-out fees, mandatory internet fees, mandatory cable fees, mandatory utility submetering fees, and for developments with more than one and a half off-street parking spaces per unit, parking fees for one parking space per household.
4. Any fee structure that would remove or limit affordable unit occupant access to any amenities or services that are required or included for market-rate unit occupants is prohibited. Application fees (including the charge for any credit check) shall not exceed 5% of the monthly rent of the applicable restricted unit to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.
5. Fees for unit-specific, non-communal items that are charged to market-rate unit tenants on an optional basis, such as pet fees for tenants with pets, storage spaces, bicycle-share programs, or one-time rentals of party or media rooms, may also be charged to affordable unit tenants, if applicable.
6. Pet fees may not exceed \$30.00 per month and associated one-time payments for optional fees pertaining to pets, such as a pet cleaning fee, are prohibited.
7. Fees charged to affordable unit tenants for other optional, unit-specific, non-communal items shall not exceed the amounts charged to market-rate tenants.
8. For any prior round rental unit leased before December 20, 2024, elements of the existing fee structure that are consistent with prior rules, but inconsistent with 5:80-26.13(c)1, may continue until the occupant household's current lease term expires or that occupant household vacates the unit, whichever occurs later.

R. Tenant Income Eligibility.

1. Tenant income eligibility shall be determined pursuant to N.J.A.C. 5:80-26.14, as may be amended and supplemented, and shall be determined as follows:
 - a. Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30% of the regional median income by household size.

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- b. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50% of the regional median income by household size.
 - c. Moderate-income rental units shall be reserved for households with a gross household income less than 80% of the regional median income by household size.
2. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income or moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35% (40% for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
 - a. The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
 - b. The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
 - c. The household is currently in substandard or overcrowded living conditions;
 - d. The household documents the existence of assets with which the household proposes to supplement the rent payments; or
 - e. The household documents reliable anticipated third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
3. The applicant shall file documentation sufficient to establish the existence of any of the circumstances in 2.a. through 2.e. above with the Administrative Agent, who shall counsel the household on budgeting.

S. Municipal Housing Liaison.

1. The Municipal Housing Liaison shall be approved by municipal resolution.
2. The Municipal Housing Liaison shall be approved by the Division, or is in the process of getting approval, and fully or conditionally meets the requirements for qualifications, including initial and periodic training as set forth in in N.J.A.C. 5:99-1 et seq.
3. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program, including the following responsibilities, which may not be contracted out to the Administrative Agent:
 - a. Serving as the primary point of contact for all inquiries from the Affordable Housing Dispute Resolution Program, the State, affordable housing providers, administrative agents and interested households.
 - b. The oversight of the Affirmative Marketing Plan and affordability controls.
 - c. When applicable, overseeing and monitoring any contracting Administrative Agent.
 - d. Overseeing the monitoring of the status of all restricted units listed in the Fair Share Plan.

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- e. Verifying, certifying and providing annual information within AHMS at such time and in such form as required by the Division.
- f. Coordinating meetings with affordable housing providers and administrative agents, as needed.
- g. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division.
- h. Overseeing the recording of a preliminary instrument in the form set forth at N.J.A.C. 5:80-26.1 for each affordable housing development.
- i. Coordinating with the Administrative Agent, municipal attorney and municipal Construction Code Official to ensure that permits are not issued unless the document required in S.3.h. above has been duly recorded.
- j. Listing on the municipal website contact information for the MHL and Administrative Agents.

T. Administrative Agent.

- 1. All municipalities that have created or will create affordable housing programs and/or affordable units shall designate or approve, for each project within its HEFSP, an administrative agent to administer the affordable housing program and/or affordable housing units in accordance with the requirements of the FHA, NJAC 5:99-1 et seq. and UHAC.
- 2. The fees for administrative agents shall be paid as follows:
 - a. Administrative agent fees related to rental units shall be paid by the developer/owner.
 - b. Administrative agent fees related to initial sale of units shall be paid by the developer.
 - c. Administrative agent fees related to resales shall be paid by the seller of the affordable home.
 - d. Administrative agent fees related to ongoing administration and enforcement shall be paid by the municipality.
- 3. An Operating Manual for each affordable housing program shall be provided by the Administrative Agent(s). The Operating Manual(s) shall be available for public inspection in the Office of the Clerk and in the office(s) of the Administrative Agent(s). Operating manuals shall be adopted by resolution of the Governing Body.
- 4. Subject to the role of the Administrative Agent(s), the duties and responsibilities as are set forth in N.J.A.C. 5:99-7 and which are described in full detail in the Operating Manual, including those set forth in UHAC, include:
 - a. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division;
 - b. Affirmative marketing:
 - i. Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the municipality and the provisions of N.J.A.C. 5:80-26.16.

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- ii. Providing counseling, or contracting to provide counseling services, to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements; and landlord/tenant law.
- c. Household certification.
 - i. Soliciting, scheduling, conducting and following up on interviews with interested households.
 - ii. Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;
 - iii. Providing written notification to each applicant as to the determination of eligibility or non-eligibility within 5 days of the determination thereof.
 - iv. Requiring that all certified applicants for restricted units execute a certificate substantially in the firm, as applicable, of either the ownership or rental certificates set forth in the Appendices J and K of N.J.A.C. 5:80-26.1 et seq.
 - v. Creating and maintaining a referral list of eligible applicant households living in the housing region, and eligible applicant households with members working in the housing region, where the units are located.
 - vi. Employing a random selection process as provided in the Affirmative Marketing Plan when referring households for certification to affordable units.
- d. Affordability controls.
 - i. Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for the recording at the time of conveyance of title of each restricted unit.
 - ii. Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and filed properly with the County Register of Deeds or County Clerk's office after the termination of the affordability controls for each restricted unit in accordance with UHAC.
 - iii. Communicating with lenders and the Municipal Housing Liaison regarding foreclosures.
 - iv. Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.11.
- e. Records retention.
 - i. Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded recapture mortgage, and note, as appropriate.
 - ii. Records received, retained, retrieved, or transmitted in furtherance of crediting affordable units of a municipality constitute public records of the municipality as defined by N.J.S.A. 47:3-16, and are legal property of the municipality.
- f. Resales and re-rentals.

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- i. Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental.
- ii. Instituting and maintaining an effective means of communicating information to very low-, low-, or moderate-income households regarding the availability of restricted units for resale or re-rental.
- g. Processing requests from unit owners.
 - i. Reviewing and approving requests from owners of restricted units who wish to refinance or take out home equity loans during the term of their ownership to determine that the amount of indebtedness to be incurred will not violate the terms of this ordinance.
 - ii. Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems.
 - iii. Notifying the municipality of an owner's intent to sell a restricted unit.
 - iv. Making determinations on requests by owners of restricted units for hardship waivers.
- h. Enforcement.
 - i. Securing annually from the municipality a list of all affordable ownership units for which property tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;
 - ii. Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;
 - iii. Sending annual mailings to all owners of affordable dwelling units reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.19(d)4;
 - iv. Establishing a program for diverting unlawful rent payments to the municipal Affordable Housing Trust Fund; and
 - v. Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent setting forth procedures for administering the affordability controls.
- i. The Administrative Agent(s) shall, as delegated by the municipality, have the authority to take all actions necessary and appropriate to carry out its/their responsibilities, herein.

U. Responsibilities of The Owner of a development containing affordable units.

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1. The owner of all developments containing affordable units subject to this subchapter or the assigned management company thereof shall provide to the administrative agent:
 - a. Site plan, architectural plan, or other plan that identifies the location of each affordable unit, if subject to the site plan approval, settlement agreement, or other applicable document regulating the location of affordable units. The administrative agent shall determine the location of affordable units if not set forth in the site plan approval, settlement agreement, or other applicable document.
 - b. The total number of units in the project and the number of affordable units.
 - c. The breakdown of the affordable units by or identification of affordable unit locations by bedroom count and income level, including street addresses / unit numbers, if subject to the site plan approval, settlement agreement, or other applicable document regulating the breakdown of affordable units. The administrative agent shall determine the bedroom and income distribution if not set forth in the site plan approval, settlement agreement, or other applicable document.
 - d. Floor plans of all affordable units, including complete and accurate identification of all rooms and the dimensions thereof.
 - e. A projected construction schedule.
 - f. The location of any common areas and elevators.
 - g. The name of the person who will be responsible for official contact with the administrative agent for the duration of the project, which must be updated if the contact changes.
2. In addition to the items in U.1. above, the owner of rental developments containing affordable rental units subject to this subchapter or the assigned management company thereof shall:
 - a. Send to all current tenants in all restricted rental units an annual mailing containing a notice as to the maximum permitted rent and a reminder of the requirement that the unit must remain their principal place of residence, which is defined as residing in the unit at least 260 days out of each calendar year, together with the telephone number, mailing address, and email address of the administrative agent to whom complaints of excess rent can be issued.
 - b. Provide to the administrative agent a description of any applicable fees.
 - c. Provide to the administrative agent a description of the types of utilities and which utilities will be included in the rent.
 - d. Agree and ensure that the utility configuration established at the start of the rent-up process not be altered at any time throughout the restricted period.
 - e. Provide to the administrative agent a proposed form of lease for any rental units.
 - f. Ensure that the tenant selection criteria for the applicants for affordable units not be more restrictive than the tenant selection criteria for applicants for non-restricted units.
 - g. Strive to maintain the continued occupancy of the affordable units during the entire restricted period.

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3. In addition to the items in U.1. above, the owner of affordable for-sale developments containing affordable for-sale units subject to this subchapter or the assigned management company thereof shall provide the administrative agent:
 - a. Proposed pricing for all units, including any purchaser options and add-on items.
 - b. Condominium or homeowner association fees and any other applicable fees.
 - c. Estimated real property taxes.
 - d. Sewer, water, trash disposal, and any other utility assessments.
 - e. Flood insurance requirement, if applicable.
 - f. The State-approved planned real estate development public offering statement and/or master deed, where applicable, as well as the full build-out budget.

V. Enforcement of Affordable Housing Regulations

1. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an owner, developer or tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
2. After providing written notice of a violation to an owner, developer or tenant of an affordable unit and advising the owner, developer or tenant of the penalties for such violations, the municipality may take the following action against the owner, developer or tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
 - a. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the owner, developer or tenant is found by the Court to have violated any provision of the regulations governing affordable housing units the owner, developer or tenant shall be subject to one or more of the following penalties, at the discretion of the Court:
 - i. A fine of not more than \$10,000 or imprisonment for a period not to exceed 90 days, or both, unless otherwise specified below, provided that each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not a continuation of the initial offense;
 - ii. In the case of an owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the municipal Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - iii. In the case of an owner who has rented his or her affordable unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.

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3. The municipality shall have the authority to levy fines against the owner of the development for instances of noncompliance with NJHRC advertising requirements (N.J.S.A. 52:27D-321.6.e.(2)), following written notice to the owner. The fine for the first offense of noncompliance shall be \$5,000, the fine for the second offense of noncompliance shall be \$10,000, and the fine for each subsequent offense of noncompliance shall be \$15,000.
4. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the first purchase money mortgage and shall constitute a lien against the low- or moderate-income unit.
 - a. Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the affordable unit of the violating owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any first purchase money mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.
 - b. The proceeds of the Sheriff's sale shall first be applied to satisfy the first purchase money mortgage lien and any prior liens upon the low- or moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating owner shall be personally responsible for the full extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus shall be placed in escrow by the municipality for the owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the owner shall make a claim with the municipality for such. Failure of the owner to claim such balance within the two year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the owner or forfeited to the municipality.
 - c. Foreclosure due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as they apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
 - d. If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the first purchase money mortgage and any prior liens, the municipality may acquire title to the affordable unit by satisfying the first purchase money mortgage and any

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prior liens and crediting the violating owner with an amount equal to the difference between the first purchase money mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the affordable unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess that would have been realized from an actual sale as previously described.

- e. Failure of the low- or moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the owner to accept an offer to purchase from any qualified purchaser that may be referred to the owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- or moderate-income unit as permitted by the regulations governing affordable housing units.
- f. The affordable unit owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the owner.
5. It is the responsibility of the municipal housing liaison and the administrative agent(s) to ensure that affordable housing units are administered properly. All affordable units must be occupied within a reasonable amount of time and be re-leased within a reasonable amount of time upon the vacating of the unit by a tenant. If an administrative agent or municipal housing liaison becomes aware of or suspects that a developer, landlord, or property manager has not complied with these regulations, it shall report this activity to the Division. The Division must notify the developer, landlord, or property manager, in writing, of any violation of these regulations and provide a 30-day cure period. If, after the 30-day cure period, the developer, landlord, or property manager remains in violation of any terms of this subchapter, including by keeping a unit vacant, the developer, landlord, or property manager may be fined up to the amount required to construct a comparable affordable unit of the same size and the deed-restricted control period will be extended for the length of the time the unit was out of compliance, in addition to the remedies provided for in this section. For the purposes of this subsection, a reasonable amount of time shall presumptively be 60 days, unless a longer period of time is required due to demonstrable market conditions and/or failure of the municipal housing liaison or the administrative agent to refer a certified tenant.
6. Banks and other lending institutions are prohibited from issuing any loan secured by owner occupied real property subject to the affordability controls set forth in this subchapter if such loan would be in excess of amounts permitted by the restriction documents recorded in the deed or mortgage book in the county in which the property is located. Any loan issued in violation of this subsection is void as against public policy.
7. The Agency and the Department hereby reserve, for themselves and for each administrative agent appointed pursuant to this subchapter, all of the rights and remedies available at law and in equity for the enforcement of this subchapter, including, but not limited to, fines, evictions, and foreclosures as approved by a county-level housing judge.
8. Appeals

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- a. Appeals from all decisions of an administrative agent appointed pursuant to this subchapter must be filed, in writing, with the municipal housing liaison. A decision by the municipal housing liaison may be appealed to the Division. A written decision of the Division Director upholding, modifying, or reversing an administrative agent's decision is a final administrative action.

W. Development Fees.

1. Purpose
 - a. This section establishes standards for the collection, maintenance, and expenditure of development fees that are consistent with the amended Fair Housing Act (P.L.2024, c.2), N.J.A.C. 5:99, and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7). Fees collected pursuant to this Ordinance shall be used for the sole purpose of providing very low-, low- and moderate-income housing in accordance with a Court-approved Spending Plan.
2. Basic Requirements
 - a. The municipality previously adopted a development fee ordinance, which established the Municipal Affordable Housing Trust Fund.
 - b. The municipality shall not spend development fees until the court has approved a plan for spending such fees.
3. Residential Development Fees
 - a. Imposed fees
 - i. Residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of 1.5% of the equalized assessed value for residential development, provided no increased density is permitted. Development fees shall also be imposed and collected when an additional dwelling unit is added to an existing residential structure; in such cases, the fee shall be calculated based on the increase in the equalized assessed value of the property due to the additional dwelling unit.
 - ii. When an increase in residential density is permitted pursuant to a "d" variance granted under N.J.S.A. 40:55D-70d(5), developers shall be required to pay a "bonus" development fee of 6.0% of the equalized assessed value for each additional unit that may be realized, except that this provision shall not be applicable to a development that will include affordable housing. If the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

Example: If an approval allows four units to be constructed on a site that was zoned for two units, the fees could equal 1.5% of the equalized assessed value on the first two units; and the specified higher percentage of 6% of the equalized assessed value for the two additional units, provided zoning on the site has not changed during the two-year period preceding the filing of such a variance application.

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- b. Eligible exactions, ineligible exactions and exemptions for residential development
 - i. Affordable housing developments, developments where the developer is providing for the construction of affordable units elsewhere in the municipality, and developments where the developer has made an eligible payment in lieu of on-site construction of affordable units, if permitted by ordinance, or by agreement with the municipality and if approved by a municipality prior to the statutory elimination of payments in-lieu on March 20, 2024 per P.L.2024, c.2, shall be exempt from development fees.
 - ii. Developments that have received preliminary or final site plan approval prior to the adoption of this ordinance and any preceding ordinance permitting the collection of development fees shall be exempt from the payment of development fees, unless the developer seeks a substantial change in the original approval. Where a site plan approval does not apply, the issuance of a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for the purpose of determining the right to an exemption. In all cases, the applicable fee percentage shall be determined based upon the development fee ordinance in effect on the date that the construction permit is issued.
 - iii. Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.
 - iv. No development fee shall be collected for the demolition and replacement of a residential building resulting from a fire or natural disaster.
 - v. (Reserved)

4. Non-Residential Development Fees

- a. Imposition of fees
 - i. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to 2.5% of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
 - ii. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to 2.5% of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
 - iii. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of 2.5% shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvements and the equalized assessed value of the newly improved structure; i.e., land and improvements; and such calculation shall be made at the time a final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.

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- b. Eligible exactions, ineligible exactions and exemptions for non-residential development
 - i. The non-residential portion of a mixed-use inclusionary or market-rate development shall be subject to a 2.5% development fee, unless otherwise exempted below.
 - ii. The 2.5% fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
- c. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to the Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1 through 8.7), as specified in Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption." Any exemption claimed by a developer shall be substantiated by that developer.
- d. A developer of a non-residential development exempted from the non-residential development fee pursuant to the Statewide Non-Residential Development Fee Act shall be subject to the fee at such time as the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
- e. If a property that was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the municipality as a lien against the real property of the owner.

5. Collection Procedures

- a. Upon the granting of a preliminary, final or other applicable approval for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.
- b. For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF, "State of New Jersey Non-Residential Development Certification/Exemption," to be completed by the developer as per the instructions provided in the Form N-RDF. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided on Form N-RDF. The tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- c. The construction official responsible for the issuance of a building permit shall notify the tax assessor of the issuance of the first construction permit for a development that is subject to a development fee.
- d. Within 90 days of receipt of that notice, the tax assessor shall provide an estimate, based on the plans filed, of the equalized assessed value of the development.

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- e. The construction official responsible for the issuance of a final certificate of occupancy shall notify the tax assessor of any and all requests for the scheduling of a final inspection on property that is subject to a development fee.
- f. Within 10 business days of a request for the scheduling of a final inspection, the tax assessor shall confirm or modify the previously estimated equalized assessed value of the improvements associated with the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- g. Should the municipality fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b. of section 37 of P.L.2008, c.46 (N.J.S.A. 40:55D-8.6).
- h. Fifty percent (50%) of the development fee shall be collected at the time of issuance of the construction permit. The remaining portion shall be collected at the time of issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at the time of issuance of the construction permit and that determined at the time of issuance of certificate of occupancy.

6. Appeal of development fees
 - a. A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by that board, collected fees shall be placed in an interest-bearing escrow account by the municipality. Appeals from a determination of the board may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
 - b. A developer may challenge non-residential development fees imposed by filing a challenge with the director of the Division of Taxation. Pending a review and determination by the director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest-bearing escrow account by the municipality. Appeals from a determination of the director may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
7. Municipal Affordable Housing Trust Fund
 - a. A separate, interest-bearing Municipal Affordable Housing Trust Fund shall be maintained by the chief financial officer of the municipality for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
 - b. The following additional funds shall be deposited in the Municipal Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 - i. Payments in lieu of on-site construction of an affordable unit, where previously permitted by ordinance or by agreement with the municipality and if approved by

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a municipality prior to the statutory elimination of payments in-lieu on March 20, 2024 per P.L.2024, c.2;

- ii. Funds contributed by developers to make 10% of the adaptable entrances in a townhouse or other multistory attached dwelling unit development accessible;
- iii. Rental income from municipally operated units;
- iv. Repayments from affordable housing program loans;
- v. Recapture funds;
- vi. Proceeds from the sale of affordable units; and
- vii. Any other funds collected in connection with the municipal affordable housing program including but not limited to interest earned on fund deposits.
- c. The municipality shall provide the Division with written authorization, in the form of a tri-party escrow agreement(s) between the municipality, the Division and the financial institution in which the municipal affordable housing trust fund has been established to permit the Division to direct the disbursement of the funds as provided for in N.J.A.C. 5:99-2.1 et seq.
- d. Occurrence of any of the following deficiencies may result in the Division requiring the forfeiture of all or a portion of the funds in the municipal Affordable Housing Trust Fund:
 - i. Failure to meet deadlines for information required by the Division in its review of a development fee ordinance;
 - ii. Failure to commit or expend development fees within four years of the date of collection in accordance with N.J.A.C. 5:99-5.5;
 - iii. Failure to comply with the requirements of the Non-Residential Development Fee Act and N.J.A.C. 5:99-3;
 - iv. Failure to submit accurate monitoring reports pursuant to this subchapter within the time limits imposed by the Act, this chapter, and/or the Division;
 - v. Expenditure of funds on activities not approved by the Superior Court or otherwise permitted by law;
 - vi. Revocation of compliance certification or a judgment of compliance and repose;
 - vii. Failure of a municipal housing liaison or administrative agent to comply with the requirements set forth at N.J.A.C. 5:99-6, 7, and 8;
 - viii. Other good cause demonstrating that municipal affordable housing funds are not being used for an approved purpose.
- e. All interest accrued in the municipal affordable housing trust fund shall only be used on eligible affordable housing purposes approved by the Court.

8. Use of Funds

- a. The expenditure of all funds shall conform to a Spending Plan approved by Superior Court. Funds deposited in the municipal Affordable Housing Trust Fund may be used

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for any activity approved by the Court to address the fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls; housing rehabilitation; new construction of affordable housing units and related costs; accessory apartments; a market-to-affordable program; conversion of existing non-residential buildings to create new affordable units; green building strategies designed to be cost-saving and in accordance with accepted national or state standards; purchase of land for affordable housing; improvement of land to be used for affordable housing; extensions or improvements of roads and infrastructure to affordable housing sites; financial assistance designed to increase affordability; administration necessary for implementation of the Housing Element and Fair Share Plan; and/or any other activity permitted by Superior Court and specified in the approved Spending Plan.

- b. Funds shall not be expended to reimburse the municipality or activities that occurred prior to the authorization of a municipality to collect development fees.
- c. At least a portion of all development fees collected and interest earned shall be used to provide affordability assistance to very low-, low- and moderate-income households in affordable units included in the municipal Fair Share Plan. A portion of the development fees which provide affordability assistance shall be used to provide affordability assistance to very low-income households.
 - i. Affordability assistance programs may include down payment assistance, security deposit assistance, low-interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, infrastructure assistance, and assistance with emergency repairs. The specific programs to be used for affordability assistance shall be identified and described within the Spending Plan.
 - ii. Affordability assistance for very low income households may include producing very low-income units or buying down the cost of low- or moderate-income units in the municipal Fair Share Plan to make them affordable to households earning 30% or less of median income.
- d. No more than 20% of all municipal affordable housing trust funds, exclusive of those collected to fund an RCA prior to July 17, 2008, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultants' fees necessary to develop or implement a new construction program, prepare and implement a Housing Element and Fair Share Plan, administer an Affirmative Marketing Program and for compliance with the Superior Court and the Program including the costs to the municipality of resolving a challenge.

9. Monitoring

- a. On or before February 15 of each year, the municipality shall provide annual electronic data reporting of trust fund activity for the previous year from January 1st to December 31st through the AHMS Reporting System. This reporting shall include an accounting of all Municipal Affordable Housing Trust Fund activity, including the sources and amounts of all funds collected and the amounts and purposes for which

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any funds have been expended. Such reporting shall include an accounting of development fees collected from residential and non-residential developers, previously eligible payments in lieu of constructing affordable units on site (if permitted by ordinance or by agreement with the municipality prior to the March 20, 2024 statutory elimination per P.L. 2024, c.4), funds from the sale of units with extinguished controls, barrier-free escrow funds, rental income from municipally-owned affordable housing units, repayments from affordable housing program loans, interest and any other funds collected in connection with municipal housing programs, as well as an accounting of the expenditures of revenues and implementation of the Spending Plan approved by the Court.

10. Ongoing Collection of Fees

- a. The ability to impose, collect and expend development fees shall continue so long as the municipality retains authorization from the Court in the form of Compliance Certification or the good faith effort to obtain it.
- b. If the municipality fails to renew its ability to impose and collect development fees prior to the expiration of its Judgment of Compliance, it may be subject to forfeiture of any or all funds remaining within its municipal Affordable Housing Trust Fund. Any funds so forfeited shall be deposited into the New Jersey Affordable Housing Trust Fund established pursuant to section 20 of P.L.1985, c.222 (C. 52:27D-320).

11. Emergent Affordable Housing Opportunities. Requests to expend municipal affordable housing trust funds on emergent affordable housing opportunities not included in the municipal fair share plan shall be made to the Division and shall be in the form of a governing body resolution. Any request shall be consistent with N.J.A.C. 5:99-4.1.

SECTION 3. Repealer

All ordinances or code provisions or parts thereof inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 4. Severability

If any section, subsection, paragraph, sentence or any other part of this Ordinance is adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this Ordinance.

SECTION 5. Effective Date

This ordinance shall take effect upon its passage and publication, as required by law.

TOWNSHIP OF BERKELEY HEIGHTS

Angie Devanney, Mayor

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Introduction						Councilperson	Final Adoption					
Moved	Sec.	Aye	Nay	Abs.	NP		Moved	Sec.	Aye	Nay	Abs.	NP
						John Foster						
						Margaret Illis						
						Bill Machado						
						Alvaro Medeiros						
						Andrew Moran						
						Susan Poage						
Introduced:			I hereby certify the above ordinance was adopted by the Township Council of the Township of Berkeley Heights, County of Union, State of New Jersey on the aforementioned date.									
February 17, 2026												
Final Adoption:												
March 3, 2026												
_____ Angela Lazzari, Township Clerk												

TOWNSHIP OF BERKELEY HEIGHTS

NOTICE OF INTRODUCTION

Ordinance 2026-04

AN ORDINANCE REPEALING ARTICLE VII (AFFORDABLE HOUSING DEVELOPMENT FEES) IN PART 4 (DEVELOPMENT PROCEDURES) AND PART 18A (AFFORDABLE HOUSING MANDATORY SET-ASIDE) IN APPENDIX A (MUNICIPAL LAND USE PROCEDURES ORDINANCE) AND AMENDING PART 18 (AFFORDABLE HOUSING) OF THE CODE OF THE TOWNSHIP OF BERKELEY HEIGHTS TO ADDRESS THE REQUIREMENTS OF THE FAIR HOUSING ACT (FHA) AS AMENDED, AND THE UNIFORM HOUSING AFFORDABILITY CONTROLS (UHAC), AS AMENDED, REGARDING COMPLIANCE WITH THE TOWNSHIP'S AFFORDABLE HOUSING OBLIGATIONS

I, Angela Lazzari, Township Clerk of the Township of Berkeley Heights, do hereby certify that the foregoing Ordinance was introduced on First Reading at a meeting of the Township Council of the Township of Berkeley Heights, County of Union and State of New Jersey, on February 17, 2026 and that said Ordinance shall be submitted for consideration and final passage at the Public Hearing to be held on March 3, 2026 at 6:30 p.m. or as soon thereafter, as practical, same can be considered, at the Municipal Building, 29 Park Avenue, Berkeley Heights, NJ, at which time and place all persons interested therein or affected thereby will be given an opportunity to be heard concerning the same. During the week prior to and up to the time of Public Hearing, copies of said Ordinance will be available in the Municipal Clerk's office in said Municipal Building, to the members of the general public who shall request the same.

**Angela Lazzari
Township Clerk**